FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,286 Saturday October 4 1980 ***25p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 28; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 800; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 45; SPAIN Pta 75; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; EIRE 25p; MALTA 20c

NEWS SUMMARY

GENERAL

Iraq launches attack on port

Iraq poured in reinforcements, including fresh armour, to subjugate the Iranian port of Khorramshahr before tomorrow, by when it has offered to implement a unilateral cease-fire in its 12-day war with the Islamic Republic.

Both countries reported heavy fighting for the town as flame stabbed the night sky. Tehran earlier claimed that the Iraqis had withdrawn but in Basra evacuees said heavy street-fighting continued and the Government said there were pockets of resistance.

On Thursday Iraq said it was halting its drive into Iran because its forces had achieved their main targets. Iraq first announced the capture of Khorramshahr on September 25. Page 2

Paris synagogue bomb kills 4

At least four people were killed and 15 injured, many seriously, when a car-bomb exploded outside a Paris synagogue in Rue Copernic, 16th district, the capital's main centre for Liberal Jews.

It was the most serious attack in a series following the banning of a neo-Nazi group. The Faisceaux Nationalistes Europeens (European Nationalist Groups) claimed responsibility. FNE consists mainly of members of FANE, a Rightist group banned recently.

Heroin factory

Scotland Yard's drugs squad believes it has eliminated a heroin factory after swoops in North London and Hertfordshire in which 12 people were arrested and heroin worth £250,000 was seized.

Hongkong reply

Hong Kong Governor Sir Murray MacLehose described as "poppycock" a recent report that Pritain and China had secretly agreed to an early return of the colony to China.

Joseph booed

Industry Secretary Sir Keith Joseph was given a rough reception by workers when touring Humberside. He was booed off premises at British Aerospace, Brough, and chanted at by Hull workers of Armstrong Patents.

Tory MP reacts

John Biggs-Davison, MP for Epping Forest, resigned as parliamentary vice-chairman of Tory Right-wing Monday Club in protest against its warning to Mrs Thatcher of "growing resentment" at plight of industry. He had not been consulted.

Savoy killing

A man detained at Southend was escorted to Bow Street police station in connection with Wednesday's Savoy Hotel killing of masseuse Catherine Russell, 27, of Chelsea Cloisters.

Bushfires

Worst bushfires in South-East Australia since World War II are sweeping through East Gippsland forest areas. Victoria Forests Minister said 100,000 acres at least already destroyed.

Portugal denial

On the eve of tomorrow's General Election, Portugal's Prime Minister Carneiro denied allegations about his financial dealings and personal life.

Briefly . . .

Shell UK's £35,000 mobile reception unit for birds damaged by pollution, Britain's first, presented to RSPCA in Somerset.

Republic of Ireland appointed its first woman High Court judge, Miss Mella Carroll, 46.

BUSINESS

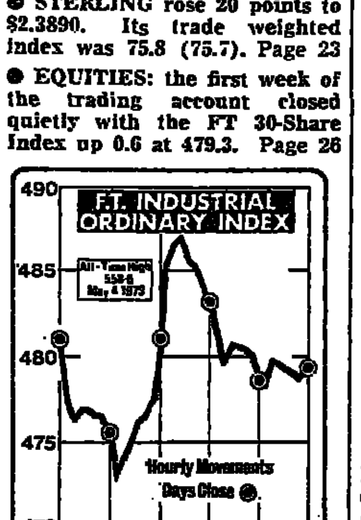
Gold off $35 on week; $ at Y207.5

● GOLD closed $7 lower at $663.50, a loss of $35 on the week, after rumours of increased OPEC oil production and higher U.S. interest rates. Page 23

● DOLLAR eased to DM 1.8105 (DM 1.8120) and drifted further against the Yen to Y207.50 (Y208. Its trade weighted index was 83.4 (83.5). Page 23

● STERLING rose 20 points to $2.3890. Its trade weighted index was 75.8 (75.7). Page 23

● EQUITIES: the first week of the trading account closed quietly with the FT 30-Share Index up 0.6 at 479.3. Page 26



● GILTS: the Government Securities Index closed 0.05 lower at 70.76. Page 26

● WALL STREET was up 9.81 before the close at 952.05. Page 20

● EEC ATTEMPT to assume powers of scrutiny over State assistance to nationalised industries will be challenged in the European Court by Britain, France and Italy. Back Page

● MOTORWAY design and supervision work worth £1.4bn is to be transferred from the Department of Transport to private contractors, Transport Minister Norman Fowler said.

● BRITISH TELECOM chairman asked the Government to relax restrictions on raising external finance. Page 3

● OIL industry reports from Japan said leading OPEC members would raise production by more than 1m barrels a day to offset Gulf War losses. Back Page

● LLOYD'S OF LONDON agreed final terms for the rescue of the Sasse syndicate, facing £21.5m losses. Page 4

● PRINT UNION leaders and several newspaper groups are discussing a replacement for the closure-threatened London Evening News.

● GKN SANKEY and GOODYEAR announced nearly 1,000 redundancies, blaming imports and recession. Page 4

● BOWATER, which plans to close its Ellesmere Port newsprint mill with 1,600 redundancies, is eligible for "tens of millions of pounds" in grants and loans. Back Page

● CIVIL SERVICE unions set aside £2m to finance possible winter action on pay. Page 4

● NCC ENERGY and Damson Oil Corporation took a joint $40m (£16.7m) stake in 800 U.S. gas wells. Back Page and Lex: shareholding reorganisation, Page 18

● CAMPEAU CORPORATION, Canadian property group, failed to win control of Royal Trustco, Canada's largest trust company. Page 21

● LYLE SHIPPING said first half pre-tax profits fell £308,000 to £2.33m. Page 18

● WARD WHITE, footwear, engineering and safety products group, reported pre-tax first half profits down from £2.65m to £1.81m. Page 18

● IBSTOCK-JOHNSEN, brickmaker and woodpulp agent, said taxable profits were £851,049 (£1.26m) in the first half. Page 18

● G. W. SPARROW and Sons, crane hire group, said first half profits fell 30 per cent to £437,000 before tax. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:			Cent. Pacific Mins.	405	+ 15
Akroyd & Smithers	363	+ 25	Gopeng Cons.	790	+ 20
Alpine Hldgs.	51	+ 4	Hill 50 Gold	55	+ 4
Concentric	49	+ 4½	Peko-Wallsend	600	+ 20
Currys	247	+ 8	FALLS:		
First Castle	46	+ 7	Automotive Prods.	59	− 4
Ford (Martin)	25	+ 2	Distillers	206	− 4
Hambro Life	317	+ 9	FC Finance	70	− 8
Kean & Scott	115	+ 17	Grimshawe	55	− 8
Lee Cooper	165	+ 15	Security Centres	64	− 9
Lyle Shipping	252	+ 12	Tate & Lyle	150	− 8
Pritchard Services	105	+ 6	Berkeley Expln.	223	− 15
Samuel Props.	140	+ 4	BP	404	− 10
Scottish Met.	142	+ 4	Carless Capel	182	− 6
Town & City	26½	+ 1½	Double Eagle	780	− 50
Vickers	138	+ 10	Warrior	390	− 50
Wardle (B.)	31	+ 7	Charter Cons.	266	− 7
Watshams	357	+ 15	Cons. Gold Fields	637	− 13
Watson & Philip	36	+ 4	Mount Carrington	55	− 10
Shackleton Pet.	74	+ 4	RTZ	442	− 8
Berjuntai	275	+ 30	Tanks Cons.	324	− 6

Foot may stand if Callaghan refuses new plea to stay

BY RICHARD EVANS, LOBBY EDITOR, IN BLACKPOOL

PRESSURE TO persuade Mr. James Callaghan to remain as Labour Party leader until a new system can be devised to elect his successor increased yesterday with an initiative from Mr. Michael Foot, the party's deputy leader.

On the final day of the most bruising and divisive annual conference for 20 years, delegates left Blackpool with party unity in tatters and with continuing uncertainty and intrigue over the leadership shambles.

But Mr. Foot, perhaps the key figure in the party hierarchy because of his combination of loyalty to Mr. Callaghan and connections with the Left-wing, came out strongly in favour of Mr. Callaghan's abandoning any intention of retiring next month.

Equally significantly, he confirmed rumours that he might stand for the leadership himself should Mr. Callaghan still retire in November. This would make the contest much more open and would damage Mr. Denis Healey's chances of being elected by the Parliamentary Labour Party.

Early pressure on Mr. Callaghan to remain, once the conference had decided to change the method of electing the leader, came from the Left and from trade unions. It was widely regarded as an unsubtle attempt to block Mr. Healey from taking over the leadership of the PLP and thus becoming a more formidable opponent for a Left-wing candidate when the new rules come into force.

Mr. Callaghan will take Mr. Foot's advice more seriously, however, and the chances must be growing that he will stay on as leader. He will still not

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announce his intentions, despite pressure from the Right-wing of the party, for him to do so, until MPs return to Parliament in a month's time.

Mr. Foot said in a radio interview that there was everything to be said for Mr. Callaghan staying on. "I hope he will be able to . . . that I believe would be the best way to settle the whole thing."

Mr. Foot made it clear that he would not stand against Mr. Callaghan in a November leadership election. Asked if he would stand in other circumstances he replied: "I would not say in some other circumstances that I might not do so... I am waiting to see what the circumstances might be."

Then in a plea to the moderat wing not to rock the boat, he said he had been in a minority in the party for years. "Minorities sometimes change into majorities and when that happens the new minority must learn to take it."

The prospects of his advice being heeded are slim and the coming weeks are certain to be full of intrigue as Left and Right, trade unions, MPs and party activists prepare their positions for the special conference in January.

The so-called Gang of Three, led by Mrs. Shirley Williams, is to meet next week to discuss tactics and methods of liaison with moderate trade union leaders.

Mrs. Wililams said last night that if Mr. Anthony Wedgwood Benn became party leader she would not serve under him.

Before this week's conference it would have been impossible for Mr. Benn to succeed Mr. Callaghan, she said on Granada Television.

"Now it is slightly more likely. I could not serve under his leadership, and that would go for a number of my colleagues. I am sure Mr. Callaghan couldn't.

"I don't mean that personally. Tony's a nice guy, but I couldn't serve under him."

Continued on Back Page

Giscard holds line on Japanese car imports

BY TERRY DODSWORTH IN PARIS

JAPANESE car manufacturers will not be allowed to increase their sales in France until Japan gives reciprocal access to its home market, President Valery Giscard d'Estaing said yesterday.

The French president's statement, made at the Paris Motor Show, gives unequivocal authority to a long-established French position which has rarely before been aired in public.

The president recalled that a market limitation of 3 per cent had been placed on Japanese registrations in France when he was finance minister. "This has never been exceeded and never will be exceeded," he stressed.

While the Government has now clearly marked out a position on Japanese car imports which is quite different from that of West Germany, which has stood firmly behind its free trading principles this year, M. Giscard was careful to underline France's commitment to liberal trade policies.

"We accept competition," he said, "but we want this to be carried out on a common base. If market conditions are not the same, fair competition does not exist."

The President's remarks came at the end of a week in which European vehicle manufacturers have used the Paris show to deliver an orchestrated cry of alarm about the wave of Japanese car imports which has swept into Europe this year.

These individual responses to the problem were brought together yesterday in a demand from the increasingly influential pan-European vehicle constructors' committee (CCMC) for an EEC investigation into Japanese companies' tax and financial advantages.

The CCMC, after the meeting in Paris attended by chairmen of virtually all the leading European companies, said that Japanese exports had increased by 30 to 40 per cent this year. Japanese companies had stepped up their car production by 20 per cent, while in all other manufacturing countries output had fallen.

"In parallel," the committee continued, "imports into Japan, which in 1979 were 50 times lower than exports, have diminished. At the present pace, the exports of Japanese cars will be more than 80 times greater than registrations of imported cars in Japan in 1980."

According to the committee European cars are more economic than Japanese cars, and European companies offer better service facilities. Where the Japanese have an advantage, it says, is in price, sales and distribution practices—features which are based on tax and financial differences, lower costs per working hour, and the under-evaluation of the yen.

The committee says that it is planning to initiate a dialogue on all these questions with the Japanese manufacturers.

Should the Japanese offensive in Europe continue at the present pace, the future of the European industry will be at risk and employment would be "seriously threatened," the committee warns the EEC.

These views, openly echoed by leading industry figures, such as M. Bernard Hanon, head of Renault's car division, have also been strongly supported by Ford of Europe, which is not a member of the CCMC because of its American parentage.

Coffee pricing accord reached

BY KEVIN RAFFERTY

AN INTERNATIONAL agreement aimed at stabilising the volatile world coffee market was finally reached in London at 5 am yesterday after weeks of negotiations. The agreement, between leading coffee exporting and importing countries, could prove an important step in the efforts to regulate world commodity markets.

It also marks a significant change of policy by producing countries, led by Brazil, in agreeing to abandon their previous attempts to control the world coffee market themselves.

Under the package hammered out between members of the 67-nation International Coffee Organisation the existing Coffee Agreement will be given "teeth" in the form of export quotas aimed at keeping prices within an agreed range considered fair to both producers and consumers.

Supplies will be rationed to keep prices up, but the deal is unlikely to cause any immediate sharp rise in retail prices of coffee.

Wholesale market prices in London rose initially yesterday but later eased. It was claimed that the quotas will offer more than enough coffee to meet projected demand.

Exports from the producing countries in 1980-81 will be limited to 57.37m bags of 60 kilos. These quotas will be used to keep coffee prices between 115 U.S. cents a pound and a ceiling of 155 cents. The mid-point of the range is 135 cents, higher than the present depressed coffee prices of below 125 cents a pound.

The Latin American producers have agreed on return to disband their Pancafe Corporation which they were using to buy up surplus coffee and thus create a market shortage.

Pancafe, which suffered heavy losses trying in vain to lift prices, will re-sell its stocks—estimated between 1.6m and 1.8m bags—in such a way that the market will not be disrupted.

Brazil, the world's largest producer, gets the largest quota allocation, with 14.5m bags after allowing for an initial conditional shortfall of 500,000 bags. Colombia is allocated 9.7m bags; Indonesia 3.2m; El Salvador 2.3m; Mexico 2.2m; Guatemala 2.1m; Uganda 2m; Costa Rica 1.5m; Ethiopia 1.4m; Kenya and Ecuador 1.3m each; Zaire 1.2m; and India and Honduras 1.1m each.

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Volcker warns on interest rates

By Jurek Martin, U.S. Editor in Washington

THE RECENT rise in U.S. interest rates was probably an "overreaction" on the part of the credit markets, Mr. Paul Volcker, chairman of the Federal Reserve Board, said yesterday.

He said it would be "inappropriate" for him to comment on criticism levelled at the Fed on Thursday by both President Jimmy Carter and, less directly, Mr. G. William Miller, the Treasury Secretary.

Both had warned that the nascent economic recovery could be nipped in the bud by higher interest rates. The President had said that the Fed appeared to be focusing too narrowly on its efforts to control the monetary aggregates to the exclusion of other economic factors.

Mr. Volcker, speaking at the end of the annual meeting central bank would succeed of the International Monetary Fund in Washington, said he was sure that the U.S. ing in recent weeks at more supply, which, by its broadest measurement, has been growin reining in the money than double the Fed's own targets. "But you don't do this evenly from week to week . . . we've learned that in spades this year," he added.

He said there had been periods before when the credit markets had tended to "jump and anticipate" events. "You wonder now if it hasn't jumped too much," he said, partly echoing Mr. Miller's comments of Thursday. The commercial banks' prime rate tends to be "too jumpy on the upside than on the downside," Mr. Volcker went on.

He acknowledged that current economic conditions, of continued high inflation and other problems, made the markets understandably concerned. He said he shared that concern, but added that "anticipations" could run ahead of a more balanced look.

Mr. Carter's shifting of the responsibility for high interest rates on to the Fed reflected, of course, political necessity.

U.S. wholesale prices Page 2

£ in New York

—	Oct. 2	previous
Spot	$2.3880-3890	$2.3940-3950
1 month	0.61-0.56 dis	0.73-0.66 dis.
3 months	1.08-1.00 dis	1.32-1.26 dis.
12 months	1.30-1.15 dis	1.40-1.25 dis.

MASSEY-FERGUSON

Minister's plea to creditors

BY IAN HARGREAVES IN OTTAWA

THE CANADIAN Government said yesterday it was willing to help construct a financial rescue package for the Massey-Ferguson farm machinery company, but stopped well short of providing a detailed plan for making specific financial commitments.

Mr. Herb Gray, the industry minister, issued a brief but vague statement that his Government would "work closely with the Canadian Imperial Bank of Commerce and other interested principals, in order to assist them to put together an adequate plan for the re-financing of the company.

"In the circumstances, the Government expects lenders and suppliers to maintain their existing arrangements with the company to allow time for the bank and the company to put a re-financing plan in place."

Mr. Gray said the Government's view was that, given adequate refinancing, "Massey Ferguson will continue to play a strong role in the farm equipment sector."

Mr. Gray's remarks amounted to little more than a plea for more time to the company's 250 worldwide lenders, to which Massey and its subsidiaries owe almost U.S.$3bn. The Government has been considering for one month a request for up to $500m (£178m) aid, to strengthen the company's finances. It has considered providing help in the form of equity, loan-guarantees, grants or a mixture of all three.

Mr. Victor Rice, Massey's British-born chairman, said he was "delighted the vital assitance of the Government is to be extended to the company."

Thursday's dramatic withdrawal from the company's affairs by main shareholder, the Argus Corporation, had provided "desirable flexibility" in re-organising the company's finances, he said.

Mr. Gray denied, however, that pressure from the Liberal Government lay behind the decision of Mr. Conrad Black, the wealthy Toronto Conservative who is president of Argus and until June was chairman of Massey, to give his 3m Massey shares, worth around C$25m (£8.9m) to the company's two Canadian pension funds.

Yesterday Mr. Black said he may once more be prepared to participate in Massey at some time in the future.

Mr. Gray gave little further indication of what course the Canadian Government will follow in its negotiations with banks and Massey Ferguson in the coming weeks, but he did say that sale of part of Massey was not excluded. There is some pressure in Canada for Massey to be forced to sell off its UK based Perkins Engine subsidiary, which has 15,000 of the company's 46,000 employees worldwide.

In recent months Massey has been approached by several potential buyers for various parts of its business.

Mr. Gray said his Government's objective was first, to restore confidence in aMssey's future, and the nto work to preserve a fundamentally viable company in an important Canadian manufacturing indutsry.

He said Argus's gift of shares to the pension fund, giving in theory, at least, a powerful stake in the company's future

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Dawn-raid ban continues

BY JOHN MOORE

THE BAN on "dawn raids" is continuing until the Council for the Securities Industry (CSI), which oversees regulations involving business, can introduce new rules in a few weeks' time.

Once the new regulations are implemented, old style "dawn raids" of the sort seen earlier this year will become impossible.

The move has been caused by widespread City concern about the series of raids on companies' shares. The practice involves a single buyer who picks up a substantial block of a company's equity in a matter of minutes as soon as the Stock Exchange has opened for business.

An essential objection to the raids was that they enabled one group of shareholders to sell their entire holding on terms significantly more favourable than those available to the rest.

Among the companies which become victims of "dawn raids" were Petrocon, Mallinson-Denny, Gough Cooper, British Printing and Pritchard Services.

CSI, in its new rules outlined yesterday, will stipulate that a person cannot purchase, within any period of one week, voting shares amounting to 5 per cent or more of the voting capital of a company, except from a single shareholder, if the purchase would take the prospective buyer's holding (including his existing holding) to 15 per cent or more.

Such purchases would have to be made through a tender offer over a period of a week, or through a partial or full bid.

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OVERSEAS NEWS

Poland's free union shows its strength

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S largest independent union, Solidarity, whose leaders claim up to 10m supporters, demonstrated its strength in a one-hour nationwide token strike at mid-day yesterday.

The strike was in protest at the delay in implementing wage increases promised by the authorities in August, as well as official obstruction of union organising activity and lack of adequate access to the media.

Yesterday's stoppage took place in the 40 or so regional centres where the Solidarity organisation had been set up, and reports from various Polish towns suggest it went off in a calm and disciplined atmosphere. Solidarity has stated that if its demands are not satisfied by October 20, it will then consider calling a general strike.

The strike comes before a key party Central Committee meeting scheduled for this morning, and the protest action will no doubt overshadow the debate in the leadership, which is by no means united on how to deal with the new unions.

One side of official indecision is that the authorities are willing to talk to the Solidarity union leaders while the Warsaw court which is examining the union's application for official registration, has told the union that the nation wide status is contrary to the original August agreement between strikers and government.

But yesterday's strike showed beyond doubt that the union is a force to be reckoned with.

In Gdansk, where the union is strongest, the strike was widespread. Both there and in the adjoining towns of Sopot and Gdynia, office workers came out into the streets as buses halted and taxi-drivers sounded their horns to mark the start of the stoppage.

In Warsaw, only a few important plants selected by the union stopped work. Bus drivers drew into the kerb, while tram-drivers carried on, but switched on their headlights in a sign of solidarity.

A union official said that Poznan in Western Poland, was decked with national flags to show support for the strike, while some 150 plants halted *for the hour.* *Reports from* Silesia, Poland's key industrial district, say the strike call was well supported there.

Today's central committee meeting will reveal what policies the party authorities are planning for the future.

● The DM 1.2bn (£255m) credit to Poland arranged by a consortium of 25 West German banks is to be officially signed next Friday. The loan, agreed in principle before the recent wave of strikes swept through Poland, is chiefly aimed at helping finance the country's external borrowing requirements for 1980.

Craxi reorganises party hierarchy

BY RUPERT CORNWELL IN ROME

THE ITALIAN Socialist leader, Sig. Bettino Craxi, was last night completing a reorganisation of the party heirarchy—which will significantly strengthen his grip on the rebellious members—and clear the way for a start by Sig. Arnaldo Forlani, the Prime Minister-Designate, to search for a new Government.

Sig. Craxi's resignation as party leader earlier this week was a first move to secure approval by yesterday's central committee of a new party directorate, in which his *right-wing* "autonomous" faction will hold two-thirds of the 35 seats, compared with its present majority of one.

The process amounts to a significant setback for the left. Sig. Claudio Signorile, left-wing Deputy Secretary of the party, is expected to lose his job. But whether this consolidation of Sig. Craxi's position will simplify the task of forming a new government — for which Socialist support is essential—is another matter.

Inevitably, the more pronounced right-wing of the party *will make the Communists* (PCI) even more suspicious of Sig. Craxi. Nor is the risk of mutiny by his Left, much more favourable to a broad deal with the PCI, removed.

Sig. Forlani will start talks on Monday about the new Administration he hopes to form.

Meanwhile, Fiat, the country's biggest private employer, remained paralysed yesterday as unions bitterly fought the company's plans to lay off 23,000 workers in its troubled car and steel divisions.

Gandhi's son stays a pilot

By K. K. Sharma in New Delhi

MR. RAJIV GANDHI, son of Mrs. Indira Gandhi, India's Prime Minister, has confounded those who expected him to announce his decision this month to go into politics. Last week he set off for Hyderabad, to train to fly Boeing 737s for Indian Airlines.

Rajiv Gandhi

This does not mean he has decided against a political career. People close to him say he feels that he needs the Boeing training to complete his career as a pilot. He has been flying turbo-prop Avro aircraft for Indian Airlines, and was selected only recently for upgrading as a Boeing pilot. Mrs. Gandhi wants him to give up flying altogether. Her younger son, Sanjay, was killed in an aircraft crash last June.

Rajiv's formal decision on a career in politics will be made after his six-week course. Few doubt what that decision will be, since he has said he would do what his mother thought was best for her. Mrs. Gandhi has let it be known that she wants his help.

Since Sanjay's death, he has done little flying, and has been helping his mother. Only politicians cleared by him have acess to her.

Rajiv's friends say he does not think much of his younger brother's followers, some of whom now hold cabinet rank, while some are chief ministers of States.

After Rajiv starts his new career — first as a knd of secretary to his mother—many of them are expected to find they have lost their influence. Changes in Mrs. Gandhi's cabinet and in the State governments are also likely.

Mr. Pierre Trudeau

Trudeau stirs up hornets

By W. L. Luetkens

CANADA'S Prime Minister, Mr. Pierre Trudeau, has stirred up a hornets' nest with his announcement that he wants to give Canada its own constitution despite his failure to agree on the plan with the Premiers of the 10 Canadian provinces.

Mr. Joe Clark, the opposition leader, and head of the Progressive Conservative Party, said the plan would divide the country and lead to prolonged court battles.

Mr. Ed Broadbent, leader of the New Democrats, the third largest party in the Canadian House of Commons, was less scathing, but found fault with Mr. Trudeau for not proposing to strengthen the rights the provinces have to control their own natural resources.

Given that much of the economy is resource-based, control over raw materials is a key question involving both power and money.

Though Canada has been a sovereign state since 1931, the key constitutional document is the British North America Act passed by the British Parliament in 1857.

Canadians never have been able to agree on a formula for amending this Act, with the result that key provisions to this day may be changed only by the British Parliament. In practice, it always does so, provided the Canadian Parliament requests the change.

That is the procedure Mr. Trudeau is now intending to use. After thorough debate in the Canadian Parliament, much of it in committee, Westminster is to be invited to relinquish to Canada control over the British North America Act.

As part of a last series of British amendments, Mr. Trudeau wants Westminster to vote a Bill of Rights, a guarantee of the language rights, and an interim amending procedure. The latter would be replaced within two years by a formula to be agreed in Canada.

On the economic side, Mr. Trudeau wants to entrench in the constitution the right of the poorer provinces to the so-called equalisation payments made into their treasuries from the *Federal budget, and the right* of people to move freely throughout the country to take up jobs.

The proposals will almost all arouse the opposition of some or all provincial premiers. Mr. Rene-Levesque, of Quebec, will resist having to provide English - language schooling more freely than at present; the premiers of the oil and gas producing provinces, with Mr. Peter Lougheed of Alberta, and Mr. Bill Bennett of British Columbia at their head, will fight bitterly for more assured control than they already have of their natural resources.

Mr. Levesque and Mr. Bennett have threatened to go to court if Mr. Trudeau, as he now proposes, acts unilaterally. The legal position is tangled, though Mr. Trudeau's advisers at least seem to be convinced that he is within his rights.

The political consequences are even harder to foresee. Mr. Trudeau's Liberals are weak in the resource-rich West, which may become even further alienated than it already is from Ottawa.

In Quebec, Mr. Levesque and his Parti quebecois, in disarray since losing the referendum on sovereignty for Quebec, may now have found an issue for the provincial election to be held within a few months, *perhaps even weeks.*

Baghdad in desperate bid to capture Khorramshahr by tomorrow

Iraqis pour in reinforcements

BY RICHARD JOHNS IN BASRA

Iraqi armed forces yesterday poured in reinforcements, including new armour, in a bid to subjugate the port of Khorramshahr on the Shatt al-Arab estuary by tomorrow — when Baghdad has offered to implement a unilateral ceasefire.

In Baghdad, the Iraqi Government declared that all its military objectives had been achieved. Yet here, the failure in face of surprisingly dogged Iranian resistance to occupy Khorramshahr, and Abadan further along the waterway, was all to clear and also admitted by officials here.

They, and troops returning from the front, reported that Iraqi commandos had entered the town of Khorramshahr and were engaged in trying to eliminate Iranian forces there, in particular Revolutionary guards. About 300 of the guards are said to be dressed in civilian clothes, and their sniping is a danger both to attackers and inhabitants. a

Yesterday, intense fire was directed on to the outskirts of the town, where a number of public buildings have apparently been captured. But subduing Khorramshahr seems to be proving a costly business — travelling from Baghdad to Basra yesterday, our car was passed by a dozen or so taxis carrying rough-hewn coffins draped in the Iraqi colours.

Abadan remained encircled, but as yet not occupied by Iraqi forces. The Iranians on the other side of the Shatt al-Arab were firing mortar bombs on Fao, the Iraqi oil terminal at the head of the waterway.

They had not succeeded in destroying the oil storage tanks there. Nevertheless, the town, with a population *estimated at 10,000 in normal* times, was largely deserted.

The heavy movement of traffic, especially tanks and mechanised infantry combat vehicles, indicated a measure of desperation about the operation.

From the road running roughly parallel to the Shatt al-Arab, from Basra to Fao, four pillars of smoke rose high above Khorramshahr. Yet with Iraqi forces actively engaged in wiping out opposition, there was no sound of heavy firing descending on the city. The plan, it seems, is to send in heavy armour to support the assault troops.

THE GULF WAR

Iraq's ceasefire proposal presented at the United Nations on *Wednesday* by Dr. Saaddoun Hammadi, Iraqi Foreign Minister, looks like being no more than a meaningless gesture, as a result of Iran's brusque rejection of it.

Stated conditions attached *to the Iraqi offer were that* Iran should stop building up its forces, halt propaganda against Iraq, and show willingness to negotiate with it.

For its part, Iraq has made it abundantly clear that it has no intention of dropping its two basic demands that Iran should recognise its complete sovereignty over the Shatt al-Arab waterway and Iran should also renounce disputed areas along the border to the north which are already under Iraqi military occupation.

Roger Matthews adds: Iran claimed yesterday to have forced Iraqi troops to retreat from Khorramshahr and that heavy fighting was continuing for the other major towns in Khuzestan Province.

The military communiqué issued in Tehran said there was "severe fighting and the Moslem people of the cities of Khorramshahr, Abadan, Dezful and Ahwaz, together with the armed forces, are bravely fighting against the Iraqi invaders."

A military official denied that teher was hand-to-hand fighting in Khorramshahr. He said the battle was taking place outside the town along the Shatt al-Arab estuary. The Iraqis had been driven from the town, the official claimed, leaving nine dead and 24 wounded.

Japanese workers to leave Bandar Khomeini

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE ENTIRE Japanese workforce of some 700 engineers and other specialists at the Bandar Khomeini petrochemical complex in southern Iran is to be evacuated to Tehren or Shiraz, it was decided yesterday.

The evacuation was decided upon at a meeting between Mr. Eimei Yamashita, the senior Mitsui executive responsible for the project and Mr. Tanaka, the Minister of International Trade and Industry.

Evacuation means the cessation of work on the complex (which was being gradually resumed before the outbreak of the Iran-Iraq war). For this reason it is not likely to be welcomed by the Iranian authorities.

The almost completed Bandar Khomeini complex *has been hit* by Iraqi shells twice since the start of the fighting, once last week when the damage was negligible and again last Tuesday when shells struck two downstream production plants and part of the chemical tank area.

The central ethylene producing core of the complex has not so far been damaged.

The Japanese workforce at Bandar Khomeini is quartered ten kilometres away from the complex itself and no-one was hurt during either of the Iraqi attacks.

Conditions at the site however are said to be "deteriorating," in part because of the *influx of several thousand* refugees into the Japanese living quarters. This seems to be one reason for the decision to evacuate.

Mitsui has so far declined to give any estimates of the amount or seriousness of the damage to Bandar Khomeini. What is clear, however, is that at this stage unilateral abandonment of the project is not being considered.

Chirac criticised as Soviets seek Gulf role

BY DAVID SATTER IN MOSCOW

AMID SIGNS of a growing Soviet desire to play a security role in the Gulf, the Soviet newspaper Sovetskaya Rossiya yesterday criticised M. Jacques Chirac, the French Gaullist leader, for calling for the exclusion of the Soviet Union from efforts to ensure Gulf security.

Since the invasion of Afghanistan, the Soviet Union has repeatedly stated that it has no strategic objectives in the Gulf region, which the U.S. has said is an area of vital American interest.

In February, however, Mr. Nikolai Portugalov, a Communist Party central committee adviser, proposed in a commentary for the Soviet news agency Tass that a European conference, which would have necessarily involved direct Soviet participation, be called to discuss guaranteed access to Gulf oil supplies.

The conference idea was not raised again publicly but since the beginning of the Iran-Iraqi war, Soviet officials have mentioned a possible Soviet role in Gulf security in private discussion with foreign diplomats.

The article in Sovetskaya Rossiya attacked M. Chirac for insisting on the exclusion of the Soviet Union from any international effort to secure free navigation through the Strait of Hormuz.

M. Chirac's attempt to "cast a shadow on Soviet policy in the region were doomed to failure," the newspaper said.

But many diplomats in Moscow now believe that the Soviet Union may be considering a risky mediation effort which if successful could leave the Soviets with a security role in the region, whether the West wanted this or not.

Counting the cost of miscalculation

BY PATRICK COCKBURN

WHEN IRAQ attacked Iran two weeks ago it hoped for a limited conflict to achieve limited ends. It is now counting the cost of this miscalculation.

The four-day truce now on offer from Baghdad, and declarations by President Saddam Hussein that his armies have achieved all they *wanted, are unlikely to impress* the Iranians. Instead, Ayatollah Khomeini is calling for a long revolutionary war. Speaking cheerfully last week, he pointed to the unity imposed on the warring political factions in Iran by the exigencies of war.

For him, the war is a test case which will demonstrate on the field of battle the superiority of his brand of Islam. Again and again, he has emphasised that the Shah's army availed him nothing, and clearly believes that President Hussein's armoured divisions will prove similarly impotent.

Only a pullback by the Iraqis behind their own frontier would now satisfy the Iranians. Without this, Ayatollah Khomeini is likely to turn the war into an Islamic crusade. On Thursday, Iranian Phantoms overflew Iraq and dropped copies of his speeches.

Last year, diplomats feared that the Iranian Revolution would spread to the Gulf. Every outbreak of Shi'ite dissidence in Saudi Arabia's eastern province and *Bahrain was viewed* as a possible precursor of this.

It did not happen, but Khomeini now seems to feel he has the opportunity to prove that his ideology and belief will not be confined to Iran. He is now likely to go over to the attack.

How will Iraq react to this? There have been few victories in the rich oil-bearing region of Khuzestan and so far all the Iraqui army holds is a strip of barren desert along their frontier. At the same time they have not committed the bulk of their forces.

President Saddam Hussein desperately needs a victory such as the capture of Ahwaz, but an attempt would mean heavy casualties, since the streets of the city are strongly barricaded by the Iranian army and militia.

Just as the extent of Iranian military disorganisation was exaggerated before the Iraqi *assault, it is easy now to over*-emphasise the weaknesses of the Iraqis.

They expected a walkover. Hundreds of journalists were imported to bring word of their victory. Instead, towns like Khorramshahr, taken repeatedly by Iraqi propagandists, still hold out. Baghdad may now feel it has no option but total war.

The Iranians were at their weakest during the first few *days of the war.* *They were* caught by surprise and the rapid fall of Khuzestan could have led to the unravelling of the régime's support.

The Iraquis did not attack with sufficient force to take advantage of surprise. Seeing *that no major city had fallen,* Iranian self-confidence returned. Dug into their own streets, the revolutionary militias have fought well.

There are weaknesses. If the Iraqis cut the main crude oil supplies to the remaining Iranian refineries, such as Tehran and Isfahan, then it is difficult to see where the Iranian army will obtain its fuel supplies. But even food shortages will not lead Ayatollah Khomeini to the negotiating table. He never promised his supporters guns and butter.

The initial unity created in Tehran by the Iraqi attack is *somewhat superficial.* The faction fights, the complex disputes between Right and Left, religious and secular, military and civilian have been overlaid, not resolved, by the threat from Baghdad.

But despite internal tensions, there is sufficient backing for the war for Khomeini to put half a million soldiers and militia into the field if he so wishes.

Whatever the shortages of spare parts and ammunition, it is unlikely that Iran's revolutionary leader will see lack of military hardware as sufficient reason to stand down his forces.

The war is militarising the Iranian Revolution. Until the moment it was attacked, Iran was absorbed in its own affairs. Western commentators, noting *the chaos in Tehran, wondered* if the Islamic Republic would collapse through its own disunity.

By the same token, the Iranian revolutionaries may find that a long war has the advantage of uniting their *forces*

The Gulf war so far

Iraq launched its attack on Iran on September 21, after abrogating the 1975 treaty with the Shah which had settled border disputes to *Iran's advantage.* *Iraq also* hoped that a war would weaken — or possibly topple — Ayatollah Khomeini's regime.

Initial attacks were successful in penetrating Iran's frontier defences but Iraq's claim to have taken towns such as Khorramshahr turned out to be untrue. The Iranian air force struck back at Baghdad and oil facilities. Both countries ceased to export oil.

By September 27 Iraq was considering an extension of the war to the southern end of the Gulf, a possibility which provoked crisis meetings in Washington. Iranian retaliation involving the closure of the Strait of Hormuz could have led to U.S. military intervention. Iran subsequently guaranteed the safety of the Strait.

By September 29 Iraq was offering to accept a Security Council call for a ceasefire and two days later said that its forces would not attack further but defend the territory it had already taken. Iran meanwhile reiterated that there would be no peace while Iraqi troops are on Iranian soil.

Emergency plan for EEC steel industry

By Giles Merritt in Brussels

AN EMERGENCY action plan is now being drawn up by the European Commission in Brussels in readiness for its assumption of special powers over the EEC steel industry.

Viscount Etienne Davignon, the EEC Industry Commissioner, was yesterday holding further talks with the main steel producers grouped in Eurofer, but *following* the break-down on Thursday night of negotiations at expert level on voluntary production cuts, the introduction of compulsory quotas now appears imminent.

In preparation for the state of "manifest crisis" which failing an eleventh hour voluntary pact, the Commission is due to ask EEC Foreign Ministers to declare at their October 7 meeting in Luxembourg, legal and administrative measures are already being taken in Brussels.

The Commission is planning to engage a special "crisis squad" of up to 60 steel industry experts to help police the mandatory production curbs that would be imposed on steelmakers under Article 58 of the European Coal and Steel Community's Treaty of Paris.

In addition to the legal instruments being prepared to implement the hitherto unused Community law, Commission lawyers are also studying the question of access to steel plants for its new monitoring teams.

For the gap separating the steel companies in their continuing talks here on new voluntary quotas that would revive the Davignon Plan now appears to be very wide. Italian steel producers are demanding that their quotas on semi-finished steel products should be increased by around 10 per cent, and West German concerns are pressing for similar advantages.

Viscount Davignon is due to travel to Madrid over the weekend to attend the annual conference of the International Iron and Steel Institute, and it may well be that further negotiations will take place there. But the European Commission is due to make a final decision on the proposals that it will put to the Council at a meeting on Monday morning.

Rosy news for Carter on prices

By David Buchan in Washington

PRESIDENT Jimmy Carter got some relatively rosy pre-election news yesterday when the Government reported that wholesale prices fell last month by 0.2 per centage—the first decline in more than four years—and the U.S. unemployment rate dropped one tenth of a percent to 7.5 in September.

Conveniently for Mr. Carter, these were the last producer price and employment figures to be announced before the November 4 election.

The economy has formed his major battleground with Mr. Ronald Reagan, the Republican candidate and the President's major opponent.

The continued slight downturn in unemployment, from a peak of 7.8 per cent in July, indicated a modest recovery in the economy from the mid-summer through.

But Mr. Carter's nervousness that this improvement might be *impaired,* and his re-election chances hurt, by the recent rapid rise in interest rates showed in the President's most unusual attack on Thursday on the Federal Reserve Board for its "ill-advised" handling of *monetary policy.*

He complained that the Central Bank was ignoring "the adverse consequences of increased interest rates on the general economy" in focusing policy on restraining money supply growth.

In the election run-up, one further economic landmark comes up later this month when the Government reports on consumer prices during September.

Administration officials said yesterday that last month's fall in *wholesale food prices*—after soaring rises in July and August caused by drought—accounted for two thirds of the September decline in the overall wholesale index.

They said this would have a depressing effect on consumer prices.

The other big cause of last month's wholesale price decline was the big September rebates by car companies to clear their stocks at the end of the 1980 model year.

This price benefit will not recur in coming months when wholesale prices are expected to rise again.

The current interest rate surge has taken the prime rate charged by banks to their best commercial customers to 14 per cent again.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Sweet reason rules in Washington as contention is talked to death

BY JUREK MARTIN AND PETER RIDDELL IN WASHINGTON

SPARKS RARELY fly, it seems, when finance ministers of the world get together. It is almost as if their very contact, be it in conference hall or around the martini glass, takes the heat out of any rhetoric which may have preceded their meeting. The imperfect sciences of economics is at least a subject on which reasonable men and women can disagree in a reasonable manner.

This was perfectly illustrated at this year's joint annual meeting of the International Monetary Fund and World Bank, which ended here yesterday. The desire to avoid confrontation among the 140-odd finance ministers, many of whom are as much technicians as politicians, was palpable. It extended beyond the basic economic debate over the structure of the international monetary system, into the most contentious political issue which preceded the meeting—whether or not to admit the Palestine Liberation Organisation as an observer.

The Palestinian question was, in effect, talked to death this week behind closed doors,

The IMF World Bank Meeting

where sat members of the joint procedures committee. The agreed solution was to temporise, of course: to appoint a committee of finance ministers under Mr. Robert Muldoon of *New Zealand, but excluding* the two main protagonists, the U.S. and Saudi Arabia, to report back by the end of the year. In the meantime, the Fund's own board of directors will review the observer by-laws, to be completed by March 1.

There is no guarantee that either attempt will be more successful than a similar effort, also under Mr. Muldoon, after *the previous annual meeting in* Belgrade. But there is, at least, the hope of development in the Middle East itself after the U.S. and Israeli elections, to the point where political leverage does not need to be applied in such an ostensibly non-political forum as the International Monetary Fund.

The issue is clearly not dead, nor has the Organisation of Petroleum Exporting Countries' threat to withdraw financial assistance from the Fund and World Bank been removed. But time has been bought for cooler heads to prevail. And no finance Minister this week was put in the position of having to cast a potentially embarrassing vote for his Government—for or against the Palestinians—in the public glare of the floor of the annual meeting.

Similarly, the main issues confronting the Fund and the Bank—the size and distribution of their resources to the *developing countries* — were thoroughly debated but not in a manner tantamount to open conflict.

The industrialised nations, determined not to transform the Fund's character into that of an aid-giving institution, conceded a little in ratifying a modest expansion of the Fund's abilities to lend more on somewhat easier terms and to raise money.

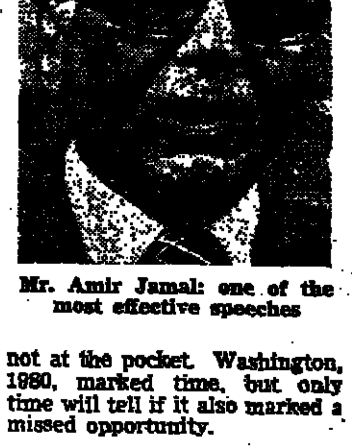
The Third World nations, for their part, tended to accept that conditionality — the economic terms the Fund exacts for its lending—was probably here to stay. But they argued strongly that the Fund should change its attitude and recognise that the problem of adjusting to higher oil prices was a long-term one.

Perhaps the most effective speeches were delivered by Mr. Amir Jamal, Tanzania's Finance Minister and chairman of the meeting, and Mr. Hugh Small of Jamaica, who demonstrated that adjustment policies conceived *for industrialised* countries were inappropriate for low-income nations.

In this, they won the support in spirit of M. Jacques de Larosiere, the Fund's managing director, who spoke of the need to adapt the institution to changing economic realities. The modest new $300m to $400m "food facility" which he actively sponsored was a practical recognition of their demands.

But the meeting in effect deferred all the key and potentially divisive issues—such as whether the next allocation of Special Drawing Rights (the Fund's own currency) in 1982 should be aid-linked, and whether the next increase in quotas should be weighted to give the developing world a greater say in the institution. While further study of the Fund borrowing directly from the private markets was authorised, M. de Larosiere was careful to argue *that the primary source* of finance should remain the quota system—and the industrialised nations were patently reluctant to see this re-arranged in a way which would reduce their dominance.

Also apparent was a general *resignation that the world's* economy was going to be saddled with low growth and high inflation for some time—and that there was no scope for relaxing the present tight fiscal and monetary policies. Mr. Robert McNamara, the World Bank *president's lament about* the inadequacy of official aid flows from the Western nations struck home at the heart, but not at the pocket. Washington, 1980, marked time, but only time will tell if it also marked a missed opportunity.



Mr. Amir Jamal: one of the most effective speeches

UK NEWS

New train will give better returns

By Lynton Maclain, Transport Correspondent

British Rail's much-delayed advanced passenger train project would produce á better return on the £250m planned investment than any other rail project on the Anglo-Scottish route for the 1980s, BR said yesterday. Figures released by BR yesterday, as it put the 150 mph express through its paces in public for the first time, showed that the project would produce a return of 21.3 per cent on the capital investment by 1991.

This was equivalent to a cash return of £112.3m more than would be produced from a cheaper, alternative scheme for new investment on the Euston to Glasgow line, BR claimed.

In its submission to the Transport Department for authorisation to buy 60 sets of APTs, BR said the alternative was simply to buy more of the existing Mark 3 coaches now used on the route.

However, these would have to be pulled by existing 20-year-old locomotives. These are due for replacement in the next five years. The effect would be to depress the operating profit expected from APT by £15.9m in 1990.

The submission to the Government for authorisation to spend £150m on 60 train sets and £100m on engineering work was made this summer.

The first passenger services are expected to start from Euston to Glasgow—but at speeds of only 100 mph—later this year. The Transport Department wants to see how the train performs in service before committing more taxpayers' money to the project.

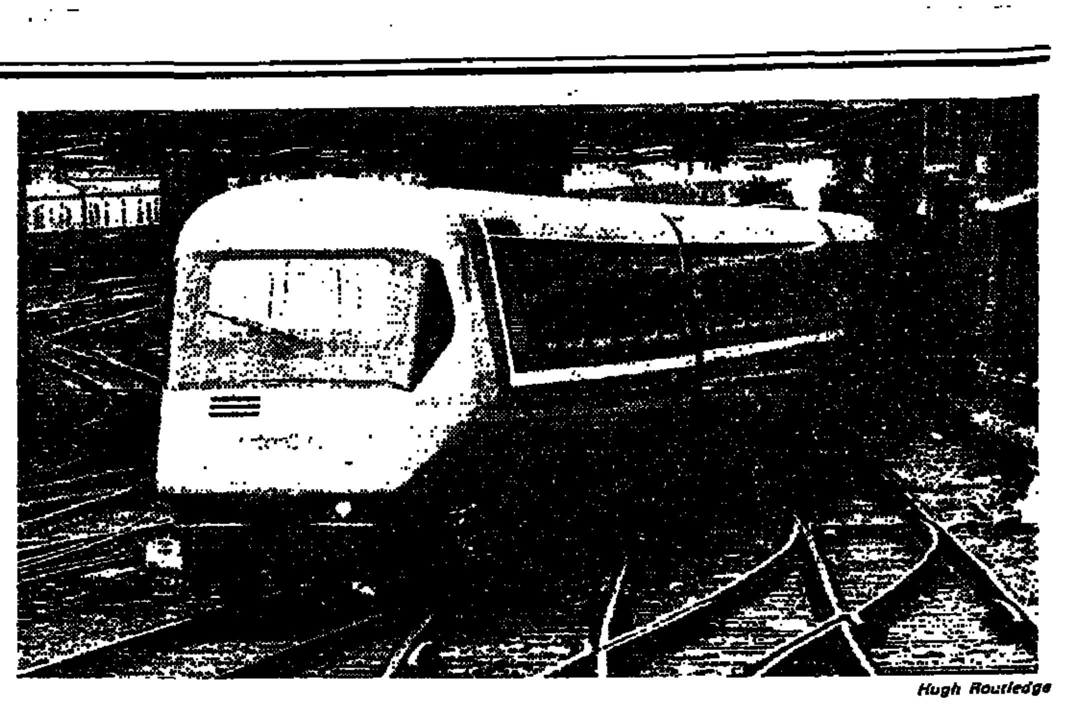
A total of about £38m has been spent on the project by the Government, EEC and BR since the project started in 1966 under Dr. Alan Wickens, the current head of research at BR.

Yesterday's first run in public—with a large party of Press and TV crews accompanied by Sir Peter Parker, the chairman, and other members of BR's Board—was uneventful.

Passengers felt a little disconcerted as the train pulled out of Euston amid a noticeable rumble from the track and a gentle rocking motion. But BR engineers assured all on board that the slight shaking had nothing at all to do with the revolutionary mechanism that tilts the APT around corners at high speed. Dr. Wickens described the track out of Euston as "one of the roughest on British Rail."

The tilting mechanism performed well. The train took more than one corner and two S-bends at 125 mph with the train tilting at nine degrees.

Passengers noticed the first few times the train tilted. After the novelty wore off, the only people to notice were the waitresses. These have been well trained to balance coffee and milk jugs on more bumpy services. But yesterday they were noticeably taken off balance as the train tilted at high speeds into some of the sharper curves.



Hugh Routledge

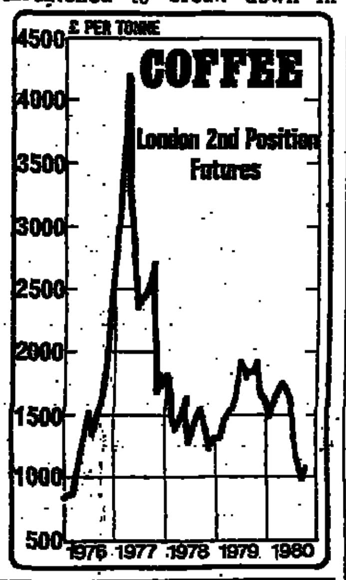
Agreement may end coffee shortages

THE AGREEMENT to regulate the world coffee market reached yesterday, after three weeks of complicated negotiations, represents a considerable breakthrough for the supporters of commodity price stabilisation.

Effectively it means that the leading coffee exporting and importing countries have agreed to try to keep world coffee prices within a range considered fair both to producers and consumers.

The agreement will require a great deal of co-operation, not only between the exporters and importers but also between the producers who have found great difficulty in restraining their competitive differences in the past.

Nevertheless, the dialogue between the developing and the industrialised worlds which has threatened to break down in



John Edwards explains why importing countries have backed a scheme designed to raise prices.

recent years, has been resumed and this could have far-reaching political repercussions. The U.S. in particular has demonstrated that it is prepared to back commodity price stabilisation moves if the package is right.

Coffee producing countries have also acknowledged that they cannot go it alone. They have agreed to disband Pancafe, the group formed by leading South American producing countries which attempted to bolster world coffee prices by a support buying campaign.

This involved buying up surplus supplies on world markets, thus removing the downward pressure on prices—in other words keeping prices artificially high.

The support buying campaign proved to be an extremely expensive mistake by producers. The expected frost in Brazil, which would have cut supplies, failed to materialise. So producers found themselves struggling against each other to export the surplus that had built up in order to keep up vital foreign exchange earnings needed to pay for imports.

In the ensuing struggle prices collapsed to the lowest levels for nearly five years and Pancafe is believed to have suffered heavy losses.

Under the new agreement, concluded this week, export quotas are the mechanism employed to control market prices. At agreed "trigger" levels, the producers will be required to cut exports, thus restricting supplies and forcing prices up. The consumers for their part have agreed to minimum price objectives well above present market levels.

In this way they will co-operate in a scheme designed to lift coffee prices and eventually raise the cost to consumers. This involves refusing to buy cut-price coffee from non-members of the agreement and also giving financial assistance to help producers bear the cost of holding surplus stocks.

On paper, therefore, honour is satisfied on both sides although African coffee producers have already complained that the world export quota total agreed of 57.37m bags (of 60 kilos each) is too small and that their share of 6.1m bags is also too mean.

World coffee market prices jumped yesterday. But it is likely to be many months before this is passed on to consumers, because of the surplus of cheap-price supplies available.

Savings and Investment, Page 8

Telecom plea on cash curbs

BY GUY DE JONQUIERES

THE NEW chairman of British Telecom, the Post Office's telecommunications division, called on the Government yesterday to relax its restrictions on the organisation's ability to raise external finance.

In his first public statement since he took office last month, Mr. George Jefferson said the lack of available finance was constraining British Telecom's efforts to provide the telecommunications system which the country would need in the decades ahead.

"We recognise the need to control public expenditure. But unless we can find ways of matching finance to the real need, the ability of commerce and industry in the UK to be world competitive will be seriously impaired by the lack of a good enough telecommunications network," he said.

Nationalised industry chairmen are preparing for their annual discussions with the Government on next year's external financing limits. The Government's refusal to allow British Telecom to borrow was a reason behind the resignation of the last Post Office chairman, Sir William Barlow.

Mr. Jefferson said that the modernisation and expansion of the network could not be *achieved without spending large* sums of money.

But he added: "Telecom can be a profitable growth business, capable of sustaining substantial borrowing on a sound business basis."

He sought to strengthen British Telecom's case for more lenient treatment by arguing it was involved in a high technology sector, in which the time between the initial research and the introduction of a new product was longer than in some other industries.

British Telecom has said that it wants to invest at least £1.5bn annually over the next five years in improving the telecommunications system.

But in spite of a further increase in telecommunications charges averaging 17 per cent, which is due to take effect next month, the division will have difficulty in achieving this target in the current year.

Whitehall officials have been exploring the possibility of finding a way round the Government's borrowing restrictions by getting British Telecom's suppliers to shoulder more of the costs of developing advanced projects, like the System X electronic telephone exchange.

So far, however, the telecommunications manufacturers seem to have responded coolly to the idea.

Some argue that any increase in their contributions to development costs would have to be offset in increases in the price of the products they were making.

ICI joins Japanese group in weedkiller deal

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL CHEMICAL Industries and the Japanese-based Ishihara Sangyo Kaisha are to build a joint venture pilot plant in Japan to manufacture a new agricultural weedkiller. ICI is expected to build a full-scale plant in the UK if the new weedkiller proves a commercial success.

The herbicide — pyridine phenyl ether — has been developed by Ishihara for use against grasses growing in crops such as soya bean, cotton, sugar beet and peanuts. The pilot plant is to be built at Yokkaichi in central Japan and will cost Y800m (£1.57m). It will have an annual production capacity of around 1,000 tonnes.

The deal between ICI and Ishihara covers the manufacture and worldwide sales of the weedkiller. ICI will market the product in Europe, the U.S. and Latin America while Ishihara will offer it in Asian markets as well as in Japan.

Mr. Kenzo Ishihara, president of the Japanese company, is reported as saying that ICI plans to build a 10,000 tonnes a year plant inthe UK within the next few years if the pilot project goes well. But yesterday, ICI said it would have to wait and see how well the product sold before any decisions could be made about its future development.

● The UK-based Cargo Fleet Chemical is to takeover the U.S.-based Magnachem's detergent materials plant at Hartlepool under a £5m deal.

The plant, which was built two years ago and which employs 55 people, produces a range of chemical intermediates for making detergents used in water and oil treatment.

Cargo Fleet, which specialises in the production of detergents and other associated chemicals, said yesterday it hoped to retain most of the Magnachem employees.

Cargo Fleet, which has a turnover of more than £25m a year, has agreed to supply Magnachem with detergent intermediates from the plant. Both Magnachem and Cargo Fleet will market them in the UK.

Britain backs NZ in butter quotas battle

BY RICHARD MOONEY

MRS. THATCHER, Mr. Peter Walker the Agriculture Minister, and Lord Carrington, the Foreign Secretary, all gave renewed assurances this week that Britain would support New Zealand in its battle for satisfactory access to the British butter market after the end of this year.

In talks with Mr. Brian Talboys, New Zealand's Deputy Prime Minister, they were told that the 90,000 tonnes quota proposed by the EEC Commission for 1981—down from 115,000 tonnes this year—was the minimum that would meet New Zealand's wishes.

Speaking in London yesterday, Mr. Talboys said the UK Government had reaffirmed its support for New Zealand's case. Mr. Walker had argued in Brussels for a more generous quota but he warned Mr. Talboys this week that there would be calls, particularly from France and Ireland, for a reduction in the figure.

Mr. Talboys admitted he had given up hope of winning access for more than 90,000 tonnes and was now concentrating on trying to persuade other EEC Governments to accept the commission proposal.

"The Council of Ministers has come to recognise the needs of New Zealand," he said. "So far, no Common Market Government has called for a total ban on imports of our butter."

In the longer term, however, several EEC members are known to be seeking a phasing out of these imports

Though "reasonably satisfied" with the EEC sheepmeat regime, New Zealand would have preferred no regime at all, said Mr. Talboys. "We would have liked a greater reduction in the tariff (reduced from 20 per cent to 10 per cent) on our lamb sales to the EEC."

Lloyds Bank to extend top-up mortgage scheme

BY ERIC SHORT

TWO MORE major life assurance companies are expected to complete arrangements this month with Lloyds Bank for joint schemes to provide top-up mortgage facilities to house buyers.

The Sun Alliance Group and Yorkshire General Life Assurance, a member of the General Accident Group, have already negotiated such schemes.

Under this unusual arrangement between a major clearing bank and a life company, Lloyds Bank provides the finance for the top-up mortgage—additional to a building society loan—while the life company provides the endowment policy needed to repay the mortgage.

Most life companies operate top-up mortgage arrangements to provide the additional finance required by house buyers above that advanced by a building society. s a condition of the loan, both mortgages—building society and top-up have to be repaid by endowment contracts with the life, company concerned.

Terms vary between schemes, but in general the interest rate on th top-up mortgage is higher than that on the main mortgage. The amount made available by life companies is strictly limited for investment reasons.

Under this arrangement with Lloyds Bank, the initial request for a top-up mortgage would come through the life company, but the decision to grant the mortgage rests with the bank. The interest charged is about three points higher than the building society's minimum lending rate and moves in line with that rate.

The top-up mortgage and the main building society mortgage have to be repaid by endowment contracts.

Lloyds Bank has been aggressive in recnt months in the mortgage market, both for first mortgages and top-ups. It operates a top-up scheme with its own life company subsidiary, Black Horse Life Assurance.

It regards these schemes as expanding its areas of business and confirmed that other life companies had approached it to arrange similar schemes.

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Government to claw back 'excessive' spending

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE GOVERNMENT is to claw back an estimated £40m overspent by Scottish local authorities and will take new powers to penalise those councils whose future budgets are above guideline figures.

The measures, announced yesterday by Mr. George Younger, Scottish Secretary, differ from the action taken in England and Wales because of the different Scottish legislation.

Mr. Younger will judge each authority under existing powers once the final spending figures for the current financial year are known next summer. He will then deduct any amount he considers "excessive and unreasonable" from next year's rate support grant.

He will also ask Parliament for powers to reduce grants *immediately after each council* determines its budget and its rate.

If this new legislation is passed before next April, some councils could be punished twice for spending more than the Government's guideline amounts.

The Scottish Office estimates that, on budgeted figures, Scottish councils are £40m over their limits, with the worst offenders being the district and island authorities and the Fife and Lothian regions, where the Labour majority groups have defied the Government.

Mr. Younger admitted that he could not stop local authorities making up the shortfall in grants by increasing rates. "We believe that it is not the job of central Government to control rates directly," he said.

"This is a matter for local councillors to decide, and it is local councillors who must suffer the consequences of their action at the polls."

The Convention of Scottish Local Authorities said that the proposal made it very difficult *for councils to determine* their budgets for the next financial year, since no indication had been given of what the Secretary of State would consider "excessive and unreasonable" expenditure. The proposal was bound to lead to large rates increases next year.

Rolls-Royce launches campaign to cut costs

By Our Aerospace Correspondent

A CAMPAIGN to cut costs and improve productivity is being launched by Rolls-Royce

Mr. Dennis Head, managing director (operations), in a message to all staff in the company newspaper, says the company needs to be much more competitive in its prices, if it is to sell to a wider market.

Rolls-Royce has to sell its civil engines at prices geared to those of its U.S. rivals, who have a lower inflation rate than the UK. At the same time, the strong pound in relation to the dollar is cutting the company's income.

"The net result of this has been to more than wipe out the increases we have been able to put on our engine prices. In other words, our costs have risen much faster than our income. Similar facts apply to our military and industrial products."

Mr. Head says that about one-third of the company's costs "lie directly within our hands" but the rest consists of what the compan has to pay to its sub-contractors and suppliers.

"Most of these suppliers are in Britain and are attempting to pass on to us their own increased costs.

"The management of all our purchasing and sub-contracting areas is instructed to take every action required to push these increases down considerably below the level of inflation in Britain.

"This cannot be done by simple bargaining alone, but involves innovative thinking and action concerning the instructions, standards and designs that we put forward to our suppliers."

BA establishes unit to oversee fuel use

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS has established a unit to oversee its annual £600m fuel procurement and usage. The controller is Mr. Denis Tunnicliffe, 37, formerly head of flight planning operations.

He said yesterday: "The new unit will plan fuel supplies and help to control the cost of our aviation fuel. Fuel accounts for 30 per cent of our costs. Small changes represent very large sums of money.

"A 1 per cent saving would be about enough to buy a *Boeing 737 jet. I hope that* we can make an effect by integrating present efforts and providing the right information to monitor improvements, and to improve decision taking."

The unit will have three sections—to forecast and plan fuel supplies, to negotiate contracts, and to provide financial and performance data.

Mr. Tunnicliffe will be responsible to Mr. Howard Phelps, operations director, for putting together a total fuel strategy.

"There are two areas where major gains can be made," he said. "The first is one of management action — better plans, better aircraft and updated equipment such as Flight Management Systems, as well as better information.

"The second is more a matter for individuals: fuel usage depends on a great many decisions made by flight crew and engineers. It is by encouraging them that the greatest effect can be made."

● Bristow Helicopters, one of the biggest helicopter operators, based at Redhill, Surrey, has ordered another 10 U.S. Sikorsky S-76 Spirit helicopters, worth over £5m, bringing its fleet of these aircraft in service or on order to 38. They are for delivery in 1983.

Mr. Gerald Tobias, president of Sikorsky, said total sales of the S-76 Spirit exceeded 400 aircraft, covering 101 operators in 25 countries. Sikorsky expects to build more than 1,600 of them.

● Pan American World Airways is to improve the comfort for business and other full-fare travellers using its Boeing 747 Jumbo jets. It will change the seating plan from the present ten-abreast to eight-abreast, giving every passenger up to 25 per cent more space.

The new seats will be in sets of two: no passenger will be more than one seat away from an aisle. Each seat will have more hip-room, wider arm-rests, more leg room and greater reclinability.

Cheaper family railcard

BRITISH RAIL announced yesterday that from Monday the cost of a family railcard—valid until February 28—has been cut to £5 for one or two adults.

This is a saving, said BR, of £11 on the normal price of a year's card.

Flat rate tickets will still cost 50p each. These are valid for the second adult named on the railcard, and up to any four children travelling with the railcard holder who must purchase an ordinary single, return or awayday ticket at the full fare.

BR earlier this week announced a £1 "go anywhere" awayday ticket for pensioners. Intense competition is now emerging between state-owned and private coach companies, with the ending of the Ntaional Express monopoly.

Lonrho appeal in sanctions dispute

By Raymond Hughes,

Lonrho is to appeal against a ruling that it cannot compel a High Court judge to give evidence in its Rhodesian sanctions-busting dispute with Shell and BP.

The company wants Mr. Justice Bingham — who as a QC conducted the Government inquiry into sanctions-busting allegations — as a witness at the private arbitration of the dispute, which has been going on since June 23 at the Piccadilly Hotel in London.

Lonrho served a subpoena on the judge, but last month the Treasury Solicitor applied successfully to another judge to have the subpoena quashed.

The company lodged its appeal yesterday. No date has been fixed for the hearing.

In earlier court proceedings Lonrho failed in its attempt to have Shell and BP's evidence and submissions to the Bingham inquiry put in as evidence in the arbitration.

The arbitration was adjourned yesterday because the arbitrators have other commitments. It is not expected to resume for some months.

Lonrho is attempting to prove in the arbitration that Shell and BP conspired with the rebel Rhodesian regime to keep oil flowing into the country throughout the period of UDI. Shell and BP strongly deny the allegation.

Five acquitted of London and County £4m fraud

BY OUR LAW COURTS CORRESPONDENT

FIVE businessmen facing £4m fraud charges arising from the collapse in 1973 of London and County Securities, the secondary bank, were acquitted on the direction of an Old Bailey judge yesterday.

Mr. Woolf Perry, Mr. Brian McMenemy, Mr. Emmanuel Davidson, Mr. John Hillman and Mr. Robert Rubin had denied conspiring together and with former London and County chairman Mr. Gerald Caplan fraudulently to inflate the September, 1973, balance sheet of the group's banking arm, London and County (A. and D.) by the use of bogus cheques.

Mr. Justice Talbot told the jury he could find no evidence of a criminal agreement by Mr. McMenemy, manager of A. and D. Nor was there evidence of an intent by Mr. Rubin that a £1m cheque he provided should be worthless. Both were therefore entitled to be acquitted.

The judge said the prosecution had alleged that Mr. Hillman and Mr. Davidson had knowingly involved themselves in the fraud. There was some evidence for the jury to consider. But what the jury was concerned with was the accepted practice in 1973 of "window dressing" company accounts.

At that time no one had thought the practice dishonest, if not done overwhelmingly.

The judge said the kind of window dressing alleged was quite unlike that accepted at the time, but because Mr. Hillman, Mr. Davidson and everyone else knew that window dressing went on, he had decided to withdraw the case.

There was evidence upon which the jury could consider the guilt of Mr. Perry, Mr. *Caplan's second-in-command*, but it would be unrealistic to pursue the case against him when the other four had been found not guilty by direction, the judge concluded.

When the trial began ten days ago, the prosecution alleged the aim of the window dressing had been to bolster A & D's balance sheet at a time when confidence in the group was declining.

Mr. Davidson, Mr. Hillman and Mr. Rubin were alleged to have drawn cheques for the benefit of A & D on accounts that did not have the funds to meet them. The intention had been that A & D would issue bankers' drafts to cover the cheques on the day after the end of its accounting period.

● The British sales manager of a Russian truck company, sacked when he refused to swop his company Ford for a Soviet-made Lada, was unfairly dismissed.

The chairman of the Cambridge Industrial Tribunal said yesterday the company's dismissal procedure was defective, even though sales manager Mr. Alan Brodie, 42, was 60 per cent to blame for the sacking. The tribunal reserved its decision on compensation.

Securities Industry Council introduces safeguards

John Moore reports on new moves against 'dawn raids'

THE COUNCIL for the Securities Industry, which oversees the self-regulation of the securities business, is continuing to outlaw "dawn raids" until new rules are implemented in a few weeks time.

The move has been caused by widespread City concern about the series of market raids on companies' shares whereby a single buyer has picked up a substantial block of a company's equity in a matter of minutes.

The practice — which has become known as a "dawn raid" because they usually took place as soon as the Stock Exchange opened in the morning—has been studied by the Council for the Securities Industry since August to consider what regulations were needed to control the device.

It imposed a voluntary moratorium on members' participation in dawn raids pending consideration of the form that regulation should take.

Yesterday, the Council published its outline of the new regulations, the draft of which has yet to be finalised. The new rules will come into effect in a few weeks.

The agreed scheme says that no one may purchase, within any period of one week, voting shares amounting to 5 per cent or more of the voting capital of a company, other than from a single shareholder, if the purchase would take the prospective buyer's holding (including *any existing holding) to 15 per* cent or more.

Such purchases may only be made in one of the following ways:

● Through a tender offer, in which there must be at least one week between the day on which the offer is announced (and publicised in the national Press) and the final day on which tenders will be accepted.

Such offers may be made either through the Stock Exchange, in which event it should take the form of a maximum price tender; or outside the *Stock Exchange*, where it could be either a fixed price, or maximum price, tender.

● Under the rules of the Take-over Code, either by a partial bid or by an offeror engaged in a general offer to shareholders.

The other feature of the scheme is that immediate notication to the company, and to the Quotations Department of the Stock Exchange, is to be required of any acquisition by a person who already holds 15 per cent or more of the company's voting capital, or *who as a result of the* acquisition comes to hold 15 per cent or more.

This applies even where the acquisition is from a single seller.

A number of definitions are required to complete the scheme described — such as a single person as a buyer, a single person as a seller, and the treatment of securities convertible into equity. These definitions will be included in the rules.

Following the introduction of the new rules, the Council and the Stock Exchange will keep the scheme under review.

On another matter, some Council members have expressed concern at the omission of a mandatory requirement for an accountant's report as a condition for admission to the unlisted securities market, a second tier market which will allow small, or relatively young, companies access to a market for their shares without having to bear the costs of a full listing.

But the Stock Exchange has assured the Council that it intends to make clear to investors the extra degree of risk involved in the new market, by the inclusion of a statement on every contract note. "Notwithstanding some unease on these points," says the Council, it approved the Stock Exchange's scheme.

UK NEWS and LABOUR

GKN Sankey to shed 900 jobs

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

GKN Sankey and Goodyear announced nearly 1,000 redundancies yesterday in response to the continued slump in the automotive industry.

GKN Sankey, which makes pressings, such as wheels and tractor and lorry cabs, told union leaders that 644 jobs must go in addition to nearly 1,200 already shed this year.

The company blamed the depressed state of the UK vehicle industry, aggravated by the growth of imported cars.

This is the first detailed announcement following a warning given with GKN Sankey's interim results last month that 2,000 jobs would have to be lost to achieve a 10,000 reduction in the labour force in the current year.

The largest engineering group in the UK, GKN suffered a 58 per cent fall in pre-tax profits to £22.4m in the six months to June 30.

GKN Sankey is implementing 930 redundancies involving the closure of the Cable Street works at Wolverhampton. The division lost 260 jobs in the first quarter of this year.

The principal victim of the latest cut is the Telford headquarters where 381 of the 4,700-strong workforce are to be made redundant. The workforce at the Albert Street plant at Bilston, with 1,100 employees, will be cut by about 20 per cent.

Goodyear is looking for a reduction of 294 white-collar jobs. The company said the decision was "regrettable" but necessary.

About 180 of the jobs will be lost at the Wolverhampton headquarters where the 4,500-strong workforce has been on a four-day week for the past three weeks.

Christian Salvesen the cold store specialist, is closing down its packaging plant at Bourne, Lincs, with the loss of 300 jobs. The company has blamed the cutback on the recession coupled with a poor pea and bean harvest.

Helena Rubenstein, the cosmetic manufacturer, is to close its UK manufacturing plant at Molesey, Surrey, with the loss of 98 jobs now and a further 53 by the end of the year.

An attempt to save the planned closure of Metal Box's Rochester plant, with the loss of 760 jobs, is to be made by Mrs. Peggy Fenner, Conservative MP for the constituency. She has asked for a meeting with the chairman of the Reading-based company to plead the case of the workforce.

Key skilled workers remain in demand

By Alan Pike

Key skilled workers were still in short supply in some sectors of industry as recently as June of this year, in spite of rising unemployment and a sharp fall in demand for labour.

This is confirmed in an analysis published in the latest edition of Economic Trends yesterday. Shortages are particularly serious in the engineering industry. The most recent areas of difficulty have been in the South-east and East Anglia.

The engineering industry has been severely affected by skill shortages in the past, although the problem is greatly mitigated by the impact of the recession.

General shortages by the middle of this year were restricted to a few occupations — machine tool operators, toolmakers, tool fitters and sheet metal workers.

The demand for skilled engineering occupations has fallen sharply in all regions since June last year. Among the smallest falls were in the South-west—where unemployment among skilled engineering workers has risen by only 12 per cent over the year, compared with almost 40 per cent nationally—and Scotland, where employment has been sustained by oil platform work. Yorkshire and Humberside experienced the greatest decline in engineering vacancies between June, 1979, and June, 1980. Textiles is another industry with a dramatic decline in the demand for skilled labour over the past year.

Mr. Alan Oliver of the Manpower Services Commission (MSC), the author of the analysis, says that while lack of adequate training is often identified as a major cause of skilled shortages, other factors may be just as important.

An MSC working party found much evidence to suggest that the problem was not so much getting people trained as keeping them in the trade.

Other causes suggested were that some employers were over-selective in recruiting standards, and that job insecurity induced wastage.

Hazel Duffy looks at the engineers' pressure group which survived a 'sell-out'

Federation retains employers' confidence

THE Engineering Employers' Federation made an agreement exactly a year ago with the Confederation of Shipbuilding and Engineering Union which was widely regarded as a "sell-out" to the unions.

There were predictions that it spelled the end of the EEF as a national negotiating body, and that many of the 6,500 member companies would leave the federation.

But the passage of time has dealt kindly with the EEF. A handful of member companies resigned or were expelled at the time of the dispute for settling outside the employers' terms. A few departed because they went out of busines, but others have joined.

One blow to EEF finances was the departure of BL, which decided before the dispute that it wanted to change its bargaining structure. BL contributed about £300,000 to the regional associations, of which one third went to the federation.

The GEC membership has not changed, in spite of the letter from Sir Arnold Weinstock (as he then was) to his managing directors at the time of the dispute to reconsider the pros and cons of federation.

On balance, the EEF still has 6,500 member companies, representing about 60 per cent of the industry in terms of numbers employed.

Many companies have discussed the benefits and drawbacks over the past year, yet all have decided, that they will stay for the time being. This is in spite of the cost of subscriptions, and much more important, the cost of an expensive settlement with the unions last year.

Why do they see it this way? First, the national negotiating mechanism continues to benefit many employers, as well as the engineering unions.

Most companies probably pay above the minimum rates which are negotiated at national level, but the national agreement on working conditions is the general standard throughout most of the federated companies. The employers' stand over the reduction in the working week, finally conceded, was the key point in last year's dispute.

Second, the Federation provides advice on a host of economic and social issues, which is helpful for the small busy company.

The EEF will also provide legal services at industrial tribunals at no extra cost on the annual subscription. The chances of a small company being involved in such cases may be slight, but it is a relief if they know they can get such help.

Third, the EEF acts as a pressure group for the engineering industry. In the past year, it succeeded in getting a clause inserted into the Employment Act which tightened conditions for immunity from proceedings on secondary action.

In its capacity as a representative body of the engineering industry, the EEF can act most of the time without treading on the toes of trade associations.

The industry is split into more than 200 trade associations, many too small to have any influential voice in Government circles.

Many of the EEF's active members, however, are also enthusiastic members of their trade associations so the Federation has to move carefully.

An example of the delicate care that it has to take was the formation of a body last year to represent the industry in Brussels.

Rather than providing representatives, the EEF encouraged some of the leading trade associations, to form their own council, and provided them with back-up facilities. The EEF did not want to be seen as the dominant force.

The move for the EEF to become more than just an employer's body was set in motion early in the 1970s. The present director-general, Mr. Anthony Frodsham, has continued to take it along this path.

All the same, its effectiveness at government level is much less than the CBI, while its large member companies frequently prefer to make their own case rather than trying to represent the engineering industry.

The main problem for the EEF in its non-industrial relations roles is the fragmented structure of the engineering industry. Unlike the chemicals industry, for example, engineering covers a large number of companies which are frequently extremely independent, and often parochial.

This is reflected in the strength of the EEF's regional associations, some of which act almost autonomously from the federation's London head office.

It would not have come as a surprise after last year's long and surprisingly bitter dispute in the engineering industry if the EEF membership had dropped.

In fact, it is more likely to lead to a shift in power away from the centre and towards the regions. Some members think that a system of national negotiations on conditions will continue, but that pay negotiations would be better taken over by the regions.

The next meeting between employers and the CSEU on current wage negotiations is scheduled for October 13.

In the light of the current state of the industry, and with the four-year agreement on working conditions behind them, it is not expected to lead to a repeat of last year's troubles. But many members think it is only a matter of time before there are major changes in the method of bargaining.

Production of BL Metro to resume on Monday

PRODUCTION OF BL's Mini-Metro should be fully resumed on Monday, after 500 strikers agreed to accept a back-to-work peace formula yesterday.

The workers walked out on Thursday in a dispute over one man who refused to be moved from the rectification area of the new Longbridge factory to an assembly line.

Production of the Metro, to be launched next Wednesday, was quickly halted. It was the first stoppage to hit the car on which BL is pinning much of its future survival plans.

But both sides were clearly anxious to reach a speedy settlement and a peace formula was agreed at meetings between plant management and the works committee. When the formula was put to a mass meeting inside the factory yesterday, the strikers agreed to a full return to normal working on Monday.

Further talks will then take place on the workers' grievances. Though about 500 Metros were lost by the stoppage, BL stressed the launch date will be unaffected as showrooms around the country are already well stocked with the vehicles.

After its launch, the Metro—product of a £275m investment—will go on show to the public for the first time at the Motor Show in Birmingham which opens on October 17.

The strikers said they had been co-operating in labour mobility, but the aggressive attitude of a senior superintendent went too far. "These people have been moved here, there and everywhere," said Mr. Jack Adams the Longbridge convener.

Lloyd's and Sasse settle syndicate rescue scheme

BY JOHN MOORE

FINAL settlement has been agreed between Lloyd's of London and members of the Sasse syndicate, facing £21.5m of losses, for a rare market rescue of the syndicate by Lloyd's.

The planned rescue was announced in July and since then details of the scheme have been hammered out between lawyers acting for all sides in the Sasse affair.

The rescue was mounted after Mr. Peter Green, Lloyd's chairman, announced in July that certain "grave irregularities took place" in 1976 in the handling and accounting of insurance contract which was placed with the Sasse underwriting syndicate. Mr. Green said that the irregularities were clear to him and "beyond reasonable doubt." The irregularities were "the subject of separate inquiries by the police." But Lloyd's has admitted no liability.

Under the proposed rescue scheme the losses of the syndicate for the 1976 underwriting year are to be limited to £6.25m while all losses on the 1977 underwriting year are to be met by the market.

Underwriting agents who introduced members to the 110 strong syndicate (with the exception of Sasse Turnbull, the former managing agency of Mr. Frederick Sasse) will be expected to contribute in aggregate at least £1.5m to the rescue. The agent will be able to recover a substantial amount of this contribution from their own errors and omission underwriters.

Lloyd's will be taking over from the members of the syndicate from the end of this month the outstanding litigation which members of the syndicate hase lodged against the Brazilian Reinsurance Institute to recover $13m.

Panther sports cars likely to be saved

AN AGREEMENT is expected to be signed within the next few days for the rescue of Panther Westwinds, the Byfleet-based specialist sports car maker which was placed in receivership last year owing about £1m.

Deloitte, the receivers, said yesterday that "the usual last-minute hitches" had prevented its completion yesterday, but "both sides are optimistic for a signing early next week."

Panther's operations have been wound down since December, when it was making seven a week of its staple, the Lima.

Production of all cars has ceased in favour of subcontracted work, and as from yesterday the workforce had been cut to about 20.

But the new would-be owner has indicated that it is ready to re-employ many of the workforce made redundant in recent months.

Civil Service unions set up £2m dispute fund

BY PHILIP BASSETT

CIVIL SERVICE unions yesterday earmarked about £2m from union funds to support any programme of industrial action they may take this winter over pay.

The first meeting of a co-ordinating committee of all nine unions in the service—set up under the auspices of the Council of Civil Service Unions to examine methods of taking industrial action in the service this winter—found that the sum of about £2m would be available from individual unions to fund any campaign.

The unions are concerned that the Government's determination to use cash limits to regulate Civil Service pay increases this year will result in a single-figure wage offer.

They examined the forms of industrial action open to them, from an all-out stoppage to selective strikes, and considered a timetable for informing union members of developments and for the issue of advice on action.

Union officials were satisfied at the degree of unity shown at the meeting, in contrast to the divisions which developed between them during action in the 1979 "winter of discontent."

The committee will meet again on October 17, and probably fortnightly thereafter, but pay will be discussed before then at the second full meeting of the Council of Civil Service Unions on Monday, which is also expected to approve its own draft constitution.

● Mr. William Whitelaw, Home Secretary, yesterday again refused arbitration over a claim by the Prison Officers' Association over meal break payments. Industrial action in the prisons over the claim is due to begin on Monday.

LABOUR PARTY CONFERENCE

That was the week that was

BY JOHN HUNT

AFTER THE week's bloodletting the final session of the Labour conference commenced yesterday on a note of complete exhaustion. Even the organist in the vast Empress Ballroom seemed to have given up the struggle to maintain a spirit of good cheer.

All week, oblivious of the fratricide in the hall, he had optimistically started the day's proceedings with a rendering of "Happy Days are Here Again." Yesterday he abandoned this in favour of "Give my Regards to Broadway." and "The White Cliffs of Dover."

"Thank God it's Friday." sighed Baroness Jeger, the long suffering conference chairman, as she introduced the day's business. Her sentiments were echoed by delegates who had laboriously found their way through the maze of documents, resolutions, amendments and pamphlets over the past few days.

"I am very angry," declared one man. "I feel as if I am being crushed by the great weight of paper which is floating around."

However, as the morning proceeded an attempt was made to raise the spirits of delegates and put a good face on the internecine struggles.

"There is no doubt that the Labour Party is the most democratic body of its kind in the world." declared Mr. Anthony Wedgwood Benn proudly.

"We have imagination and realism and the will to succeed." pronounced Mr. Moss Evans, of the Transport Workers.

Taking up this theme, another delegate protested that despite what had been said in the Press about the unions' abuse of the block vote, there had been no lack of co-operation between the constituency parties and the unions during the conference.

This point was hardly borne out when, within a few minutes, the unions rolled out their block vote again on the question of whether the party would have to wait another three years before constitutional matters could be taken up again.

"They are afraid a bit of democracy might spread to some of the Right-wing trade unions," muttered Mr. Dennis Skinner, the Left-wing MP for Bolsover, who was sitting on the platform as a member of the NEC.

In a belated attempt to send the rank and file home in a cheerful mood, Mr. Ron Hayward, the general secretary, introduced an NEC statement pledging a united battle against the Tory Government.

"I am not downhearted about this week," he insisted. "I think it has been a momentous week."

At the same time, he chided delegates about the uncomradely hissing and booing which had greeted some speakers during the week. If they could not listen to reasoned argument, then his advice to them was to "belt up."

Another delegate probably summed matters up more accurately when in words that could hardly be disputed, he said that the conference had been a "dramatic and moving experience."

He seemed to imply that in the words of Mr. Macmillan on another occasion "it was all got up by the Press."

In fact, he explained, bitter divisions were not just confined to Labour gatherings. He had been present at a wild party a few nights before when one journalist had broken an egg over the head of a fellow scribe.

The proceedings wound up with the usual show of good fellowship and the singing of the Red Flag and Auld Lang Syne. As Baroness Jeger said: "That was the week that was."

Partial win for the Right on three-year rule

BY MARGARET VAN HATTEM

CONFERENCE MOVED yesterday to block discussion of constitutional issues at more than one in three consecutive party conferences in future. But the issue will remain open for the next year, allowing the party time to alter its method of choosing a leader.

Delegates, possibly alarmed by the violence and disruption of this week's in-fighting on constitutional questions, voted 5,882,000 to 1,160,000 to keep them off the agenda two years out of three.

The matter will be settled at next year's conference when, according to normal procedure, it will be put as a constitutional amendment.

The solid vote in favour of the resolution represents a partial win for the Right after a trouncing this week at the hands of the Left.

The three-year rule—which previously applied in theory to all issues—was repealed at last year's conference as a result of strong campaigning by the Left, particularly among the constituency parties and also to some degree within the unions.

However a sizeable majority of the unions appear to have changed their minds since then in view of the constitutional battles which have so divided the party over the past couple of years and now threaten to strangle debate on other issues.

The move to reimpose the three-year rule came as a union initiative.

The Left-dominated NEC, which opposed the move, had earlier in the week rejected a request from unions in the Trade Union for Labour Victory group to by-pass normal procedure and put the issue forward as a constitutional amendment this week.

The unions had assumed that this would follow a decision on the method of electing the leader. However, since conference failed to decide this and is now expected to try again at a special session next January, the unions did not press the matter and yesterday appeared satisfied with the turn of events.

The three year rule is not absolutely binding and can be overruled at the discretion of the NEC. But the executive still feels it to be an unnecessary constraint, suppressing discussion at the broadest level.

It would, Mr. Anthony Wedgwood-Benn said yesterday, "screw the top on the pressure cooker" at a time when many people wanted to discuss important constitutional matters.

He appealed to conference "not at this stage to take any decision which would appear to stop discussion.

"We all want to go forward in greater detail in improving our structure and organisation."

Supporters of the three-year rule insist they are not trying to suppress discussion which can continue at constituency level, but merely trying to circumvent what looks like becoming an annual bloodbath.

Speaking to the resolution, Mr. Moss Evans, general secretary of the Transport and General Workers' Union, warned conference that annual discussions of constitutional issues would leave no time for the party to absorb the arguments at constituency level.

"We need time for a proper debate, we must have a breathing space," he said. "Otherwise we will find ourselves rushing headlong into decisions we have not considered properly."

He appealed particularly to the large number of delegates frustrated in their attempts to speak in debates on defence, the third world, jobs and pensions because of the inordinate amount of time devoted this week to constitutional questions.

"Conference is primarily our supreme policy-making body," said Mr. Evans, "and we should spend the vast majority of our time debating and making policy."

Salutary message from the seafront and the streets

BY ELINOR GOODMAN

ELEVEN O'CLOCK yesterday morning. In the conference hall, Mr. Eric Heffer was launching a tirade from the platform about political education and the need to involve more young people in the Labour party.

A quarter of a mile away, in the Golden Gate amusement arcade, Jim, unemployed school leaver on holiday in Blackpool with his parents from Glasgow, was just about to start on his second hour at the fruit machines.

Wearing tight black trousers, braces, and a bowler hat, with the message "Rock on Tommy" emblazoned onit, his eyes barely left the revolving symbols as he expressed his view about politicians.

"Load of rubbish."

His parents, he admitted, had always voted Labour but he couldn't see the point. As for the conference, he was only aware of it at all because he had not been able to get into the Winter Gardens.

The salutary message coming from the sea front at Blackpool yesterday to those communicators and politicians who over the last week have tended to regard the Winter Gardens as the centre of the earth, was one of general apathy.

Most of the people I spoke to seem to take a very dim view indeed of politicians and were, for the most part, indifferent to what had been going on.

The most frequent comment in the streets was that "politicians are all the same" and that there was nothing to choose between them.

The headlines about the bust-up in the Labour party only seemed to have reinforced their natural scepticism about politicians.

To some extent, the lack of interest in the events at the Winter Gardens must be good news for those Labour politicians who feel that the party has handed Mrs. Thatcher a gift on a plate by indulging in such open warfare.

But the bad news from the party's point of view was that some of those Labour voters who had noticed what was going on were appalled by what they had seen.

In a very random sample in Blackpool yesterday, three out of perhaps 50 people I spoke to said that although they had voted Labour before, they would not do so again if there was an election tomorrow. None said they had been converted to the party by the conference.

Another elderly couple in the street were equally forthright. The husband, who again claimed to have regularly voted Labour, said he could never do so again, "now Tony Benn is in charge."

He was not the only person on the front to be under the impression that Jim Callaghan—described by several as a very good leader—had already retired and that Mr. Benn was in sole charge.

A young couple in a job centre put a different view. They thought Mr. Benn might be very good for the party and they were delighted by the party's commitment to withdraw from the Common Market—a commitment which was welcomed by several people I spoke.

"Whatever they do won't help me find a job," said one out-of-work welder.

Blackpool is not the best place to get an accurate cross-section of public opinion. It returns two Tory MPs to Westminster and unemployment tends fluctuate with the seasons.

But the seafront, with its illuminations, rock shops and endless amusement arcades, is a good place to meet the kind of people who could once have been relied upon to vote Labour if they voted at all.

And judging by those I spoke to yesterday, most of them who had noticed what was going on were not impressed.

The only person outside the Winter Gardens who seemed genuinely pleased by what had happened was a student selling Militant. Members of the far left Militant Tendency actually use the vocabulary of their newspaper in normal conversation.

As far as he was concerned, the conference had been a success because it had shown up "the basic antagonism between the rank and file and the Bureaucracy as represented by the National Executive."

So saying, he offered a copy of Militant to a passing pensioner. Her only question was "has it got a picture of Shirley in it?"

Richardson attacks Thatcher

MRS. THATCHER was accused at the conference yesterday of failing to understand women and behaving "exactly like any male Tory Prime Minister." The charge came from Miss Jo Richardson, Barking MP and NEC member, during a brief debate on women's rights.

But she added: "I deplore the sexist jokes like 'ditch the bitch' and 'Britain's first and last woman Prime Minister'." And she denounced the patronising attitudes" of men towards women in the Labour Party.'

Miss Richardson said of the Prime Minister: "Of course, she is an absolute distaster but she is exactly like any male Tory Prime Minister would be. She doesnt's understand the working class and she doesn't understand working class women.

Without a vote, the conference then passed a motion, calling for an end to tax and social security discrimination against women, provision of nursery or workplace creche facilities for every child, extension of fully paid maternity leave, a ban on forced sterilisation, increased birth control facilities, free abortions on demand

Hayward's promise

MR. RON HAYWARD, in the final speech of the conference, pledged that the NEC would do all in its power to get the immediate repeal of the Employment Act if a Labour Government was returned to power.

"We give this pledge from the NEC," he said. "The next Labour Government will repeal this Act — all of it.

Benn outlines his strategy for change

BY IVOR OWEN

LABOUR'S INCREASINGLY dominant Left-wing NEC, strengthened by the events at Blackpool this week, will lose no time in bringing the party's parliamentary leadership under intensified pressure.

Mr. Anthony Wedgwood Benn made this abundantly plain in the final session of the conference yesterday when he outlined his strategy for dealing with the one major reverse suffered by the NEC—the rejection of its attempt to gain undisputed control over the party's election manifesto.

Mr. Benn told delegates that as a result of this defeat, the draft manifesto issued by the NEC in May—its main emphasis is on a massive extension of state ownership and control—would be downgraded in status to that of a draft programme.

To cheers from the Left-wing, Mr. Benn announced that the NEC intended to seek an early meeting with the Shadow Cabinet with a view to producing a new draft programme embodying the decisions taken by conference this week.

BENN: NEC will seek early meeting with the Shadow Cabinet

This new document, which he hoped would form the basis of the next manifesto, would be brought before conference next year.

Mr. Benn bit out at the moderates and others who have protested that the victories won by th Left were obtained by undemocratic means.

He emphasised that most of the major policy changes approved by conference had originated from resolutions submitted by constituency parties.

Mr. Benn declared: "There is no doubt at all that the British Labour Party conference is the most democratic body of its kind in the world.

"There is nothing else in the same league at all."

This view was echoed by Mr. Dennis Skinner, MP for Bolsover, and another Left-wing member of the NEC.

He maintained that the main concern of those who attack conference decisions was that the same degree of democracy might spread to the Right-wing dominated trade unions.

Mr. William McKelvey, who became MP for Kilmarnock at the last general election, won applause when he described the shocks he had experienced as a "new boy" at Westminster.

The truth was, he said, that after 70 years the Parliamentary Labour Party was not as well organised as a regional trade union branch, or a local Labour Party branch.

FINANCE AND THE FAMILY

Divorcee and responsibilities

BY OUR LEGAL STAFF

Last April I became divorced, with my former wife living with another man, X. I now gather that she is calling herself Mrs. X. Is there a way to find whether she has remarried, and how will this affect any lump sum or maintenance?

A remarriage will only affect your position in respect of the matters you mention if there is a material change in your former wife's circumstances in consequence. It seems unlikely that this is the case here, but you may wish to consult your solicitor if you are not certain what financial support your wife admitted to having at the time of the divorce.

A quia timet injunction

Since new people bought the long lease of the flat above ours, we have had 16 floodings in all the rooms to which water is connected. Four times I have taken the people to court to recover repair costs and recently, when the case was still on, the 16th flooding occurred. On this occasion, when the court was empty, the defendant hit me in the face. I am bringing the matter to the magistrates court. Is there anything else you think could be done to put an end to this intolerable state of affairs?

We appreciate that your position is a most unenviable one. It may be that your proceedings in the Magistrate's Court will lead to the defendant's being bound over to keep the peace. Moreover it might be feasible for you to secure an injunction of the kind known as *quia timet* to require the defendant to refrain from causing a nuisance and/or allowing an escape of water on the basis of the history of 16 floodings to date.

Void relief and rates

Last December I purchased a flat in a new block which had just been completed. I have not occupied or furnished the flat as I live and work abroad. However, I have been receiving rates bills from the local borough council. Is there any liability to rates on an unoccupied property?
If I furnish the property and use it for 2 or 3 weeks per year during my annual vacation, would this change the position?

Rates are payable on an empty property, although you are entitled to apply to the rating authority for "void relief" which would enable the authority to remit half the rates. Once you occupied or let the premises full rates would again be payable.

No general right

A passageway exists between houses which has been in regular and unrestricted use for 15/20 years. Houses very close to the passage had in their deeds reference to the granting of continual use of this passage. The new owner of the land adjoining the passage proposes to close it off with a gate and allow only those with permission in deeds entry by use of a key—the rest who have used the passage for many years will be refused entry. The new owner claims that as the passage is not shown as a Right of Way on local maps, no general claim can be made for usage. Could you please give me guidance on this?

It is probably correct that there is no general right of way for the public at large. However any owner of a house adjoining or close to the passageway who can show that he and/or his predecessors in title have used the passage for 20 years can claim a right as if it were granted by deed, but limited to the kind of use (e.g. on foot) which has actually occurred.

Krugerrands and CGT

Some weeks ago you had a bit about capital gains tax and Krugerrands which worried me. What is my position vis a vis a child's holdings of 8 or 9 coins, given her by her godmother on Christmas and birthdays? Her godmother, now dead, never disclosed the price of the coins, but as they were clearly bought when the price was much less than it is now, there is a gain of sorts. And what about the possibility of income tax?

There is nothing for you to worry about. Although your daughter will have a chargeable gain upon selling each krugerrand, the annual exemption limit of £3,000 (under the 1980 Finance Act) will mean that she has no actual capital gain tax liability—unless she has other chargeable gains, of course. The chargeable gain on each coin will be based on the average value of the coins on the days they were given to your daughter (not the prices which her godmother originally paid for them).

There is no risk of an income tax charge, since the transactions clearly do not constitute an adventure in the nature of trade.

A new form of tenure

Could you tell me what effect the legislation of the recently passed Housing Act has upon rents in the prive (controlled) sector, and when any newly authorised increase can take effect?

The new Housing Act does not alter the law concerning the control of rents in the private sector except in so far as a new form of tenure (shorthold) will be available to those who do not wish their new tenancy to fall within the Rent Act 1977.

Passport as proof of age

Would I be right in assuming that a passport will fill the legal requirements necessary as proof of age when applying for old age pension and retirement superannuation benefits, etc.?

A passport would not normally be accepted as proof of age—although some offices might accept it. A birth certificate is the proper means of proving your age

Residences and capital gains

I am to retire in four years' time and am thinking of buying a house. This means that I shall have two residences and I understand that unless I nominate one of them as my main residence for capital gains tax purposes within two years, the Tax Inspector can then nominate one of them. But what happens if I sell the newly bought house within two years?

If you sold home number two within two years of buying it you could, if you wished, claim it as your principal residence, and thus escape capital gains tax. Any gain in the value of home number one during this same period would be taxable as and when you came to sell it.

Liabilities of a trustee

I have been asked to act as trustee of an old Welsh congregational chapel. I am concerned as to my liabilities, if, say, the building needed repairs and there was no money available. Could my private resources be called on?

A trustee would not normally be liable beyond the amount of the trust assets in his hands so long as he has acted in good faith; but you should consult the trust deed, or whatever document describes the constitution of the trust or trusts concerned.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Tax and resident abroad

My wife and I are British citizens, and have been resident in Norway for six years. When we first came here, currency restrictions were in force, and this meant that the bulk of our wealth was left in Britain, in the form of shares or on deposit receipt. Since 1974, the dividends on the shareholdings have been paid net of the current basic rate of tax into a current account in a bank in the UK and the interest on the deposit receipt accounts has been paid gross. Recently we received from the bank a letter inviting us to confirm that we were permanently resident abroad, as they would otherwise be bound to declare to the UK tax authorities the amount of interest paid on the deposit receipt accounts. We are not interested in having the income taxed in Norway, as the marginal rate is about 70 per cent at our income level.
Can I elect to have the deposit receipt interest taxed in the UK rather than Norway? Am I paying the correct amount on the dividends? Have you any other advice?

We claim no expertise in Norwegian tax law but, if your UK income is indeed taxable in Norway (as it appears to be), then the answer to your first question is no.

You should, in any event, give the UK bank the formal confirmation that neither of you is ordinarily resident in the UK, for the purposes of UK taxation, so as to relieve the bank of its obligation to report your deposit interest (under section 17(4) of the Taxes Management Act 1970). The deposit interest (whether it be on a deposit receipt or on a deposit account) will be exempt from UK tax, either by virtue of extra-statutory concession B13 (1979) or under article 12 of the Norway-UK double taxation convention of January 22, 1969 (as amended by the protocol of June 23, 1977).

No UK income tax has in fact been deducted from UK dividends since April 1973. However, under article 11(4)(b) of the 1969 convention (as substituted by the 1977 protocol), you should be able to claim payments of tax credit from the Inland Revenue Foreign Dividends Office, Lynwood Road, Thames Ditton, Surrey, Great Britain KT7 0DP, in respect of your UK dividends. The Inland Revenue will withhold 15 per cent of the aggregate of the dividends and the tax credit; in taxing the aggregate in Norway, the Norwegian authorities will give you credit for this 15 per cent UK tax, under article 26 (2)(b) of the convention (as substituted by the 1977 protocol). If you do not claim relief under the double taxation convention, you will have additional UK tax (investment income surcharge) to pay on your UK dividends, for some years.

The rates of tax credit on UK dividends paid since April 1973 are as follows:

Year ended April 5	Tax credit
1974	3/7ths
1975	33/67ths
1976	7/13ths
1977	7/13ths
1978	17/33rds
1979	33/67ths
1980	3/7ths
1981	3/7ths

Dubious definition of a non-resident

TAXATION

DAVID WAINMAN

It is those who are either resident or ordinarily resident in the UK who are liable to capital gains tax. If the Revenue agree that you have become non-resident, and can also be regarded as no longer ordinarily resident, then the tax ceases to apply.

Similarly, among the categories of income regarded as arising from a foreign source, earnings from employment outside the UK will be completely removed from the scope of UK taxes if the employee is neither resident nor ordinarily resident. For this non-resident the "exporter's" reliefs introduced in 1977 are no longer relevant—25 per cent relief for 30 days or more abroad, and the 100 per cent relief which applies to those with 365 days abroad.

It is therefore desirable to know what the Revenue requires from an individual before it will agree that he has shed both "residence" and "ordinary residence." The first, residence, is purely a question of fact: spending various periods in Britain in specified circumstances renders the individual ariving here resident, and prevents the departing one from shedding that status as we will see below. Ordinary residence, on the other hand, connotes some greater degree of permanence—it is frequently said that it indicates habitual residence.

There are therefore two different aspects to the shedding of residence and ordinary residence: first that of showing factually that days here and abroad in the fiscal year fall into the correct pattern, and secondly demonstrating in a rather longer time-scale that habits have been broken.

The tax law has always proceeded on the basis that an individual is resident, or is not resident, for a complete fiscal year. But the Revenue has published an extra-statutory concession which permits the departing individual to escape tax in appropriate circumstances, immediately after his departure. He does not always have to wait until the following April 6.

Let us examine how the Revenue applies the law in the case of a man who, before his departure, had been resident here for a considerable number of years, and was accordingly also regarded as ordinarily resident here. The only specific reference in the tax statutes to the question whether he has shed his residence on going abroad is worded in the negative. He cannot be regarded as non-resident if his leaving was for the purpose only of occasional residence abroad.

Although there are some ancient cases in which the courts considered the meaning of these words (and interpreted them pretty harshly on at least one occasion), it is now generally accepted as most unlikely that the Revenue would hold an individual resident for a year for the whole of which he was actually out of the country. And as a matter of general practical convenience, the Revenue is normally prepared to agree that the individual who goes abroad for full-time employment becomes non-resident as soon as he leaves.

It maintains, as safeguards, that it must be clear that the employment is a genuine, full-time, one and that it is likely that the individual will continue in it for a period which includes at least one complete fiscal year. The Revenue does not raise any objections to this worker visiting Britain during his periods of leave — even during the "one complete fiscal year" which, it says, he should spend abroad.

There is, however, one well known trap for the overseas worker who returns. If he keeps a home in the UK available for his use on those visits, and those visits are made at least in part for business reasons rather than purely on holiday, then he is in trouble.

Business purposes destroy the exemption he would otherwise have from the general rule that even setting foot in the UK will make an individual resident for a complete fiscal year if he has accommodation here. And assuming that his wife does not have the protection of a full-time job abroad, the existence of the accommodation will certainly make her resident when she comes on holiday.

If we turn to the position of the person who emigrates without taking up full time employment (self employment seems as always to be seen as discreditable), we find that the Revenue may suspend decision until it can be shown what really happened rather than what the individual said would happen following his departure.

If he sells his house in the UK, and purchases one abroad, the Revenue will often provisionally give him non-resident status from the date following departure, to be confirmed only after he has been out of the UK for a complete fiscal year. But if his total period of absence is less than three years and not connected with employment abroad, he will retrospectively be ruled resident for any fiscal year in which he visits the UK, and ordinarily resident throughout.

In all of the above cases it seems that the individual's successful shedding of residence will be accepted as constituting also a break in his ordinary, or habitual, residence. And as we have indicated, the Revenue does accept that both these events can concessionally be taken as occurring on the day after his departure.

Those with most at stake are often those who feel least comfortable having to rely on the Revenue's concessions. The man who has a substantial prospective capital gain might think it safer not to realise it in the broken part of the fiscal year after his departure—but only in the following complete fiscal year of absence.

The Revenue does not see it as its duty to clarify the law and its administrative procedures for those interested chiefly in the avoidance of tax. And lawyers and accountants occasionally feel that they must weigh the small thanks they receive for getting it right against the disastrous negligence suits they could face if in a particular case the Revenue decided not to apply the rules in the manner which seems to have become its habit.

It is always possible, for instance, that it could use hindsight to discover that the individual's foreign employment was less real than originally thought—and that accordingly his sojourn in his far country had neither severed his "factual" residence status for any year in which he had visited the UK, nor broken his "habitual" ordinary residence at all. Hindsight does not enable him to undo the realisation of his capital gain. This is the stuff of nightmares.

Learning to live with it

MINING

KENNETH MARSTON

"HOW we learned to love inflation or, at least, learned to live with it" could be an alternative title for the **Consolidated Gold Fields'** annual report for the year to June 30 which was published this week.

Of course, Gold Fields doesn't really like inflation any more than the rest of us, but it is the driving force behind the rise in the gold price and South African gold is the UK-registered mining and industrial group's main product. It contributed about half the record 1979-80 net profit of £89.9m which was 60 per cent up on that of the previous year.

At the same time, however, all the other major sectors of Gold Fields' activities again contributed to the rise in earnings. These include Australasian tin, titanium minerals and copper; exceptionally, the 46 per cent-owned **Mount Goldsworthy** iron ore operation suffered as a result of cyclones, but it is now doing better and is enjoying higher ore prices.

The North American manufacturing and commercial activities did well on balance while at home the **Amey Roadstone** construction materials group lifted its pre-tax earnings by 22 per cent. So the Gold Fields' chairman, Lord Erroll and chief executive Mr. Rudolph Agnew, proudly state: "We were again able to reach rates of growth of earnings and dividends that substantially outpaced inflation."

They provide graphs reproduced here, to prove their point and go on to say, quite flatly, "We intend to continue this performance." They stand a good chance of achieving this aim, providing that the gold price holds at around its present level and the world economic recession does not bear too heavily on the non-gold interests.

Looking ahead, the group's policy is to diversify and to move into products which they feel may become relatively scarce in due course even though they may be plentiful at first. New acquisitions are thus on the cards although no further calls on shareholders for fresh funds are envisaged at the moment.

The major shareholder is now, of course, the **Anglo American** group with some 25 per cent following the stock market raid carried out earlier this year by **De Beers**. Gold Fields insists that this will not mean any interference in policies as long as the group continues to do well, but the possibility of some co-operation in new ventures cannot be ruled out, especially on the exploration side.

In all, Gold Fields looks to be as good a haven as any in the current economic situation with a balance between gold and industrial activities. But it cannot have the best of both worlds unless, perhaps, there are to be reflationary moves in the U.S., a part of the world that this group appears particularly to favour.

Sharp swings have again been seen this week in the price of **Minerals and Resources Corporation (Minorco)** as holders have taken profits on a price boosted by a "hot sell" in the U.S. and the Americans have come back for more. The latter may well have been encouraged by Minorco's annual report this week.

It contained no glittering forecasts, but it did remind us that the major new investment acquisitions that were part of the group's reorganisation in the year to last June only contributed to income in the second half of the year.

Of these, the 10 per cent stake in **Anglo American Invesment Trust** (a major holder of **De Beers**) made a substantial contribution to Minorco's higher profits. This week the trust has further raised its interim by 30 cents to 260 cents (144p).

Clearly, a full year's income from this and the other major investments—notably the 27.3 per cent stake in the U.S. **Engelhard Minerals and Chemicals** precious metals refining and general metals marketing giant, **Trend Oil** and the base metal interests—should boost Minorco's profits in the current year. Whether this will justify the current yield basis of under 2 per cent, however, remains to be seen.

Put briefly

● South Africa's **Impala Platinum** still expects to see "a small improvement" this year over the record R119.2m (£66.2m) earned in the year to June 30, despite the depressed state of its major markets, the U.S. automobile industry and the Japanese jewellery trade.

At the same time, however, earlier reports in these columns are confirmed with the news that Impala's platinum production for the year to next June could rise to 975,000 ounces from the 1979-80 total of 870,000 ounces. The group is also to start construction in conjunction with Canada's **Sherritt Gordon Mines** of a South African plant for the recovery of cobalt metal.

● Sadly, the struggling **Cleveland Potash** mining operation in Yorkshire is to be scaled down and this will involve the laying off of some 650 of the workforce of 1,500. Since it started operations in 1973 some £140m has been put into the mine, but it has never made a profit and mainly because of technical reasons potash production has never reached the targets.

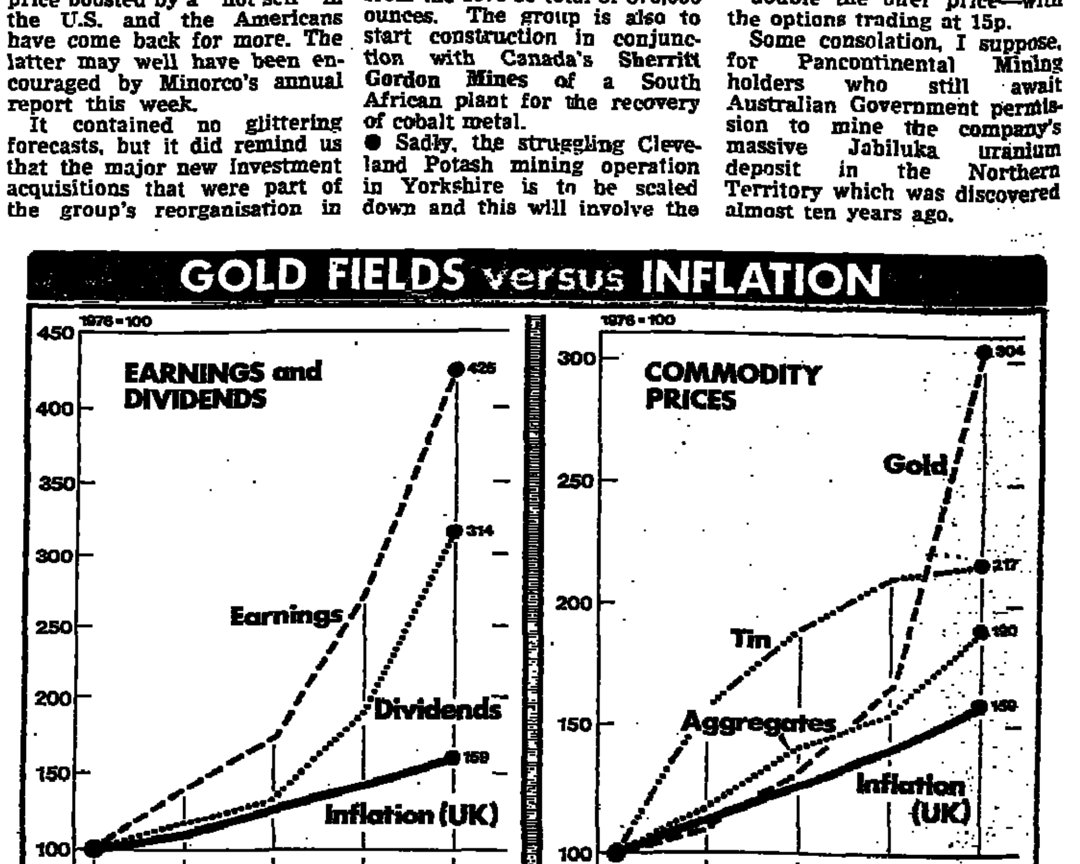
Despite some improvement in the past year, the management has decided that the mine cannot be brought to profitability on the present basis. It is jointly owned by **Anglo American Corporation** and **Charter Consolidated**. But the latter now has no liabilities in respect of the mine, these having been shouldered by Anglo.

● As forecast in this column, the offer to **Pancontinental Mining** shareholders of shares and options in the **Pancontinental Petroleum** Australian oil and gas exploration subsidiary has gone with a swing.

Pancontinental Mining holders were offered one share in the new company at par (25 cents, equal to about 12p) for each Pancontinental Mining share held. The new shares also carry an option to acquire on a one-for-two basis a further share at a price of 25 cents until June 30, 1985.

The issue, which was designed to raise a total of some A$11.5m (£5.6m), was heavily oversubscribed. Dealings started in the new shares this week at 25p—double the offer price—with the options trading at 15p.

Some consolation, I suppose, for Pancontinental Mining holders who still await Australian Government permission to mine the company's massive Jabiluka uranium deposit in the Northern Territory which was discovered almost ten years ago.



YOUR SAVINGS AND INVESTMENTS—1

Tim Dickson on a seldom-publicised side of recession

Time for a blitz on your charity cash

CHARITIES, and those who benefit from their work, are often first to feel the chill winds of recession. When jobs feel less secure and profits less assured, individual and corporate donors are easily tempted to cut their contributions.

Charities have two main sources of money, besides grants dished out by Government—businesses, who can often be persuaded to give away part of shareholders' rewards: and individuals, for whom the sacrifice is generally more personal.

This week the Salvation Army, a worldwide organisation with a gross income of more than £13m, launched a major campaign in the City of London to raise £1m. As full page advertisements in national newspapers made clear, the cost of living is making it increasingly difficult for the Army to carry on its traditional work of helping the destitute, the abandoned and the down-and-out. As the campaign literature puts it, "The Salvation Army, itself under attack from inflation, is launching a blitz on London."

Businesses then will be the main target of the Army's attack but thanks to changes in this year's Finance Act individuals should remember that they too can play a major part in helping charities fight rising prices—at little or no extra cost to themselves.

Charitable covenants have long been the best and most tax efficient way of giving money. But following the developments announced in the March Budget they are now even more attractive. First of all, the minimum period for a charitable covenant to be recognised for tax purposes has been reduced for the financial year 1980-81 from seven to four years.

Secondly, and just as importantly, donations from next year (1981-82) will attract relief at the benefactor's highest marginal rate of income tax, instead of simply at the basic rate as at present. The concessions unfortunately are somewhat complicated so for charities to get the full benefit individuals will have to take action themselves.

At the moment the charity is allowed to reclaim tax on all gifts at the basic rate of 30 per cent. In future this will be unchanged but donors on high incomes will be able to claim for themselves relief on the difference between their top rate and the basic rate. In other words, unless covenants are increased the individual rather than the charity will pocket the Government's contribution.

For example, an individual liable at the 50 per cent rate of tax who covenants a "net sum" of £200 enables the charity to reclaim £85.71 (i.e. 30 per cent of £285.71). In future, for the same net cost to himself of £200 the individual will be able to covenant a net sum of £280. The charity can apply for a tax repayment of £120 (30 per cent of £400) and the individual will get relief on 20 per cent (the difference between 50 and 30 per cent) of £400=£80. Net cost to individual therefore is £280 minus £80=£200.

Among a number of other changes now enshrined in the Finance Act which will benefit charities directly, the present Capital Transfer Tax (CTT) exemption limit of £100,000 for transfers to charity made on or within a year from death has been raised to £200,000.

Salvation Army workers at their post in the City of London.

Now the big push is on for new money

UNIT TRUSTS
TIM DICKSON

INVESTORS OUGHT to keep their wits about them in the next few months. Unit trust groups seem likely to make a big push for new money, encouraged by increased charges and an outlook for equities which many managers feel is encouraging.

Unit trust management charges were freed from Government control last December. As we pointed out on these pages two weeks ago most companies have either taken or are about to take advantage of the opportunity to increase their take. The old maximum of either 5 per cent initially plus ¾ per cent annually on the size of the fund or 3¼ per cent initially and ½ per cent annually appears to be giving way to a standard 5 per cent "up front" and ¾ per cent per annum.

The increases, expressed as fractions of a per cent, may seem insignificant to investors (certainly judging by the ease with which groups are pushing through new deeds) but to the managers themselves they represent a welcome boost to cash flow. The chances are that at least some of this will be ploughed back into more aggressive marketing.

The climate for unit trusts, moreover is looking more attractive. In spite of the helpful tax concessions in the Finance Bill, unit trust sales this year have been dented by high interest rate "products," notably the high income bonds which cashed in so successfully before they were killed by the Budget

Admittedly, the £1.5bn which the Government plans to raise through the new "granny bonds" next month will make a big hole in investors' pockets But once this is out of the way, many managers are confident that if interest rates come down a lot of spare cash will find its way back into equities and hence unit trusts.

The big question for investors will be how to pick up right unit trust. Such an exercise, it should always be stressed, is far from scientific but one aid to those making a decision is the regular performance review published by Planned Savings. The figures for the first nine months of 1980 were published yesterday, showing inevitably that funds invested in energy related stocks and gold have come out on top.

The limitations of performance tables are various. Short term comparisons, for instance, are usually distroted by exceptional market conditions and can often be influenced by luck rather than judgment. Longer periods are undoubtedly more reliable, although these can quickly be proved invalid if investment teams have recently been broken up. A good result can often be put down to one individual's talents.

Performance, meanwhile, is not only judged relative to other unit trust groups. The two most common yardsticks are the FT Actuaries All Share Index and the F.T. Industrial Ordinary Index. The FT Ordinary Index is more familiar to investors and is designed to measure the mood of the Stock Market based on the 30 leading industrial shares.

It is, however, unweighted by sector and tends to understate performance over the longer longer term. Because it is easier to beat—unit trusts say because it is more familiar to investors—it features in much promotional material. The Planned Savings figures illustrate why—259 funds beat the Ordinary Index in the first 9 months of this year, only 128 bear the FT All Share Index.

All this said performance is probably the most useful tool in evaluating the sector. What is more, they keep managers on their toes. For the record these were the 10 best performeers in the 9 months to end September.

Current Value of £100 investment in nine months to October 1 (offer to offer price)

M and G/Australasian	178
Gartmore Commodity	173
Henderson/Australian	173
Barclays Unic. Australia	162
Britannia Gold and Gen.	161
Henderson Financial and ITU	160
Midland Drayton Commodity	159
Britannia Minerals	158
Britannia Universal Energy	157
Key Energy Industries	157

Arm of the law

TOO MANY people are not exercising their rights as consumers because it means going to law. But the difficulties and costs involved can be overcome if legal expenses, insurance and its associated services becomes more readily available as an employee benefit, with the employer bearing the insurance costs.

Until recently company schemes have tended to concentrate on employment protection. But in the normal course of an employee's life, he is more likely to need legal guidance on buying and selling his house, possible matrimonial problems, consumer rights and motor accident cases. This week Employers Protection Group launched its Legal Benefits Insurance scheme designed to meet the everyday needs of employees.

This group, based in Sutton, has up to now concentrated primarily on employment protection insurance for employers and on directors' and officers' liability. This latest development represents a new dimension in the group's legal expenses insurance activities.

The scheme has four elements—employment cover, personal cover, motorists cover and conveyancing cover and can be arranged to cover some or all of these sections. But the most useful feature is the advisory service run by Employers Protection which enables the employee to get legal advice on his problems. Indeed if he wishes to use the scheme for any reason, he first has to contact the advisory service before he can go any further. This will discuss the problem and advice how best to proceed. The employee cannot take legal action and run up solicitors costs without prior approval.

It needs to be emphasised that this service is not a substitute for seeking the services of a solicitor, nor does it provide a second opinion on advice already given. But it will prevent the employee running up unnecessary bills in pursuit of hopeless claims. But if the claim is a valid one, the insurance will ultimately meet the costs.

There is, of course, still a need for employment protection, especially in these days of recession and there could arise a paradoxical situation where the employee takes legal action against his employer, with the employer paying the costs. In practice, Employment Protection acts as a mediator between employer and employee and settles any grievance without it going to an industrial tribunal. From an employer's viewpoint, the provision of such a benefit encourages good industrial relations and avoids the employee being distracted from his work by problems that seem insoluble.

Legal expenses insurance, unknown in the UK 10 years ago, is now a thriving market with more schemes coming on the market. Employers and employees need to check that any scheme selected offers a complete service for the needs of employers at a competitive price.

Eric Short

Variety of Life

THE DEEP divisions within the Life Offices Association over the remuneration to insurance brokers is revaled with the latest publication of the magazine, Money Management.

The insurance brokers, through their professional body, the British Insurance Brokers Association, have been seeking concessions to the commision scale set out by the LOA. This scale, or series of scales, sets out the maximum amount of commission that member companies can pay insurance brokers on various type of life and pension contracts.

BIBA claims for its members that the scale is inadequate to meet the cost of procuring business for life companies and that no account is taken of costs paid by other intermediaries.

They are, for instance, annoyed that non-broking intermediaries who simply introduce the business to life companies get the same commission as brokers who incur expenses in procuring business

Money Management contacted 17 LOA member companies and asked them three questions:

(1) Would the company like to pay more commission to brokers?

(2) Should the present commission levels be increased?

(3) If the situation was not satisfactorily concluded would they consider leaving the LOA?

To the first question seven companies said yes, four said no and six declined to answer. There was a similar response to the second question.

On the third question only two companies surveyed were prepared to admit that they could leave the LOA. But neither was prepared to state categorically that it would leave unless the situation was resolved satisfactorily.

The most unsatisfactory feature about the whole business is the secrecy surrounding the discussions, since the ultimate decision will directly affect the consumer. At the end of the day it is his premiums that pays the commission.

E.S.

Welcome home, bon voyage

HOLIDAY PLANNING is like painting the Forth Bridge. Before one year's holidays are over, people start planning the next one.

The Automobile Association this week produced its latest Travelsure holiday insurance policy with the slogan emblazoned across the prospectus "All your holiday insurance for 1981."

This contract from the AA is designed for the holidaymaker who leaves his car behind when he goes on holiday. It brings the cover right up-to-date with three noticeable features.

First the medical cover is raised to £50,000 to meet the ever-increasing cost of falling ill overseas, particularly in the U.S. and in the Far East. A case earlier this year showed that the cost of treatment for a heart attack in the U.S. can approach £50,000.

Next, the plan provides cover to meet those extra expenses arising should the holiday be delayed or curtailed, either from illness within the family or from industrial action outside.

It was not just motorists who were delayed by the French fishermen's blockade. Airport strikes are an accepted hazard of holiday travel and the plan provides compensation of up to £60 per day if industrial action delays the start of a holiday by more than 12 hours.

Finally, the AA provides a 24-hour English-speaking emergency telephone service for travellers which puts them in touch with experts who can advise on medical problems, arrange hospital treatment or provide an air ambulance service back to the UK.

If someone falls ill it is reassuring to know that medical costs will eventually be paid, but essential to know at once what to do and where to turn for help.

E.S.

YOUR SAVINGS AND INVESTMENTS—2

Banks and mortgages . . . first time home buyers . . . property shares . . . ice cream and bricks and mortar . . . Financial Times writers look at the housing market

Topping up at the Black Horse

HAVING AT last moved into the home loans market, the clearing banks are exploiting its potential aggressively, none more so than Lloyds.

Not only does Lloyds have its own first mortgage scheme and a top-up mortgage arrangement with its own life company—Black Horse Life. It is quite prepared to co-operate with other life companies in providing top-up mortgage facilities.

It already has a scheme of arrangement with the Sun Alliance Group and this week Yorkshire-General Life Assurance announced that it had completed a deal with Lloyds.

The basic details of each of these arrangements are that Lloyds Bank makes the top-up money available and the life company provides the endowment contract to repay the mortgage. The original inquiry for a top-up mortgage comes from the life company's contracts, usually an approved broker or other intermediaries.

Broad guidelines are set out as to the limits of the top-up and the type of property on which an advance will be made. But acceptance in each case is decided by Lloyds not the life company.

Once a loan has been granted, the nearest branch of Lloyds to the client is sent the papers and this branch will then contact the client and the life company. The client does not have to be an existing Lloyds customer — neither does he have to transfer his account as a condition of the top-up.

This scheme has certain differences from the usual form of top-up from a life company. Sun Alliance says that under its arrangement much larger top-up loans can be granted, without the rigid restrictions imposed by life companies for their own schemes.

Then the interest rate is a variable one tied to the Building Society's minimum lending rate — around three points higher — and moves with that rate. Many life company schemes have a fixed rate.

The building society main mortgage and the top-up mortgage can be repaid by any type of endowment, usually the low cost, whereas some life company schemes insist on non-profit contract for both mortgages.

A comparison of the two methods is shown in the table. At present the Sun Alliance/Lloyds scheme charges 18½ per cent against a typical fixed interest 16½ per cent. But the low cost endowment premiums are cheaper and, as the table shows, the net cost is virtually the same.

With the Sun Alliance/Lloyds scheme there is a strong possibility of the interest rate coming down and the low cost provides a substantial cash sum at the end of the mortgage.

Lloyds Bank gets its return solely from the interest paid on the mortgage and the commission on the endowment is paid to the intermediary.

The life companies in general appear delighted with this arrangement since it meets most of the objections to operating their own top-up scheme. Top-up mortgages yield a lower return than corresponding gilt investment. They are unmarketable and can be repaid at any time. Consequently investment managers of life companies, seeking to maximise their return, do not regard top-up mortgage investment with favour.

But a top-up mortgage facility is now an essential consumer service as more life companies have discovered. In recent weeks Clerical, Medical and General, Confederation Life and Yorkshire General have launched their top-up mortgage schemes. But this conflict of interest with life companies means that the amount made available is limited.

Life companies regard the Lloyds scheme as solving their dilemma. This was certainly the case of Sun Alliance. A year ago it did not have a top-up mortgage scheme in spite of its strong connections with the building societies. Having seen details of the Lloyds Bank's scheme with its life subsidiary, it liaised with the bank for similar facilities and the scheme was eventually set-up.

Now Yorkshire General has negotiated a scheme with Lloyds in addition to its own top-up scheme. It is understood that two other major life companies are about to complete their arangements with Lloyds Bank for similar schemes and other life companies are following this path.

At present there is no big demand for top-up money. But when the house market picks up the demand should grow and the more sources of finance available, the better for the consumer. The resources of the top-up market were stretched to the limit last year.

Last week, Lloyds' Black Horse Life launched a with-profit contract—a very rare event for a linked life company—so that it could market a low-cost endowment scheme. It will be declaring annual compound bonuses plus eventually a terminal bonus and according to Planned Savings magazine's monitoring service, the rate looks competitive.

The other clearing banks do not appear to be developing their mortgage business on these lines. Williams and Glyn seems content to offer top-up loan facilities direct to the customer, though it has had one or two approaches from life companies.

The other clearers also seem content to market direct through their branches rather than through life companies. Barclays, the only other clearer with a life company subsidiary, Barclays Life, has no intention of entering the conventional with-profits sector as yet.

Eric Short

Comparative table of monthly costs for a £15,000 mortgage from a building society plus a £5,800 top-up mortgage payable over 25 years for a man aged 29.

	Scheme A (Sun Alliance/Lloyds)		Scheme B Life company top-up	
	£	£	£	£
Building Soc. Interest (a)	190.63	133.44	190.63	133.44
Top-up Interest (b)	77.08	53.96	68.75	48.13
Life premiums (c)	33.35	28.35	41.52	35.29
Total monthly cost	301.06	215.75	300.90	216.86
Surplus after 25 years (d)	£7,058		Nil	

(a) Building society interest at 15¼ per cent, tax relief at 30 per cent.
(b) Top-up interest at 18½ per cent under Scheme A and 16½ per cent under scheme B.
(c) Low cost used to repay both mortgages under scheme A and non-profits contracts under scheme B. Tax relief at 15 per cent.
(d) On current bonus assumptions.

Why they ignore the handout

FIRST TIME housebuyers in their thousands are ignoring a free handout from the State. Under the Government Homeloan Scheme, which was first introduced in December 1978, anyone buying their first home can qualify for a £600 interest-free loan plus a tax free bonus of up to £110 provided they have saved for at least two years. But with the second anniversary of the scheme's birth approaching fast, word from the building societies suggests the response has been highly disappointing.

This in retrospect is hardly surprising. In the last couple of years Governments have had precious little reason to encourage those entitled to the money to take up their rights and financial advisers are better at reminding clients of such offers if there's something in it (i.e. commission) for them. The first beneficiaries of the scheme will not actually receive their money till December this year, but according to the Building Societies Association, future commitments currently total a a mere £100,000.

To qualify for the Homeloan scheme you obviously have to satisfy a number of conditions. But the important thing to bear in mind is that there is absolutely no individual commitment. You can sign up and subsequently withdraw your money at any time, simply forfeiting any ultimate right to the benefits.

The scheme, moreover, is not restricted to building societies. Participating institutions also include banks, trustee savings banks, friendly societies, the National Girobank and the National Savings Bank. All you have to do to set things in motion is fill in a form at your local branch. Often an existing account will qualify, though some, like a bank current account, do not.

Once notice has been given to your branch, you have to save for at least two years to qualify for the bonus. Furthermore, one full year before you apply for the benefits you must have £300 of savings, a level which has to be maintained during the subsequent 12 month period. The more cash you keep in the account during this year, however, the bigger the bonus (see table).

Min. savings held during 12 months before applying £	Cash bonus £
300-399	40
400-499	50
500-599	60
600-699	70
700-799	80
800-899	90
900-999	100
1000 or more	110

The conditions on the loan are the same as for the bonus, except that you must have at least £600 in your account before you qualify. The money is normally added to the rest of your home loan and is shown separately on the mortgage offer. The effect is either to reduce the amount you borrow direct from the lending institution or to release savings for other purposes.

Repayments on the £600 interest free loan do not start for five years, though if you sell your house within this period the money has to be returned immediately.

New definitions of the "lower priced" houses which qualify for the Homeloan Scheme were announced recently by the Department of the Environment. Two-thirds of first time buyers are expected to come within the net, which ranges from £29,100 in Greater London at the top end to £16,400 in Yorkshire and Humberside at the other.

● The Building Societies Association made it clear this week that mortgages will almost certainly remain at 15 per cent until the beginning of next year. Net receipts for September are expected to top £400m, well above the levels of recent months. But while societies are obviously getting the initial benefit of large redundancy payouts they are holding their breath in anticipation of the Government's new granny bonds, which will be launched in mid November.

Tim Dickson

From fast food to home cooking

REALTY World Corporation (UK) this week became the latest company to move into franchising, a marketing arrangement familiar enough to those in the fast food, ice cream and drain clearing trades but unknown to those who sell houses.

The company is nothing if not ambitious Kicking off with a pilot scheme in the North West, Realty aims to introduce estate agent franchising to Yorkshire and the South of England by the middle of next year before spreading its wings to take in the whole country by the end of 1982.

Estate agent franchising, perhaps inevitably, is an American import. The "industry" across the Atlantic is already 14 years old with franchised estate agents now thought to be responsible for 35 per cent of all residential property sold in America. Realty World Corporation (UK), is a new company formed to operate the UK licence of Realty World Corporation, which is a well known estate agent franchise network in the U.S.

Essentially what Realty will offer is centralised training, marketing and advertising services, its own brand name on facia boards, headed notepaper, etc., plus the back up (if necessary) of financial services such as non-building society finance and insurance. In return it expects a cut of the estate agent's profits, namely a once only "up front" payment of up to £3,500 and up to 6 per cent of annual turnover.

Realty claims that it is currently in negotiation with 50 estate agent offices around Manchester and hopes to have 25 of these signed up for the pilot scheme by Christmas. Realty was anxious to stress this week that it will not step on the toes of those agents who already have special relationships with local building societies and insurance brokers. The company will not act as a broker (it will not take commission) but it hopes, as Mr. Joe Collins, the managing director puts it, "to expand the agent's range of services."

Mr. Collins, an American with several years of insurance experience in the UK, is conscious that the needs of the British market are likely to be different to those of the American. The 15 months research which has gone into the project, however, has allowed his team to "anglicise" the techniques.

Realty's premise is that housebuyers in the UK do not mind paying the 2½ per cent commission which agents commonly charge for selling a house. What they do object to, says Mr. Collins, is the poor, inefficient and generally time-consuming service which often accompanies a deal. "What we are offering," he says, "is the opportunity to complete most of the complex aspects of house-buying and selling under one roof."

From the agent's point of view, Realty clearly hopes the idea will appeal to small, two- to three-office firms, whose income has been cut back by competition from larger, regionally-based rivals. In practice franchising is designed to provide the sort of benefits for the little man which large agents already enjoy. The fees they pay to Realty, so the theory goes, will be more than compensated by a quicker flow of business.

Reservations about Realty's plans were voiced this week by the Royal Institute of Chartered Surveyors. The RICS, which represents 56,000 chartered surveyors in the UK, has not come out for or against franchising and is currently canvassing members for their views.

"At the moment we would question the benefits of this sort of arrangement. We don't see where the estate agents are going to get the fees they will have to pay," a spokesman said. "Furthermore, we are somewhat concerned that if any of our members joined a franchising network they could infringe our code of conduct. Blatant advertising is not allowed."

Much more dubious about Realty's plans is Mr. Richard Neacock, a Staines-based estate agent whose franchising research has taken him recently to the U.S. "In some parts of America, such as Texas, 80 per cent of the residential property market is franchised. The effect has been to drive the little man either into the hands of the franchise group or out of business.

Mr. Neacock, not surprisingly, has his own axe to grind. He feels the main problem is that agents charge too much for their service and could do just as good a job more cheaply. He claims that a number of firms are poised to join his franchising group "Mister One Per Cent," whose members will charge one per cent on all house sales made on a "sole agency" basis.

From the customer's point this is a potential drawback. Under Mr. Neacock's "sole agency" arrangement customers are committed to selling their house through him for six weeks. Generally speaking, sellers employ a number of agents, payment going only to the one which effects the sale.

Under Mr. Neacock's proposed scheme agents will pay an initial £300 entrance fee per office plus 3 per cent of their sales commission. "This will then go into a pot at which point we will guarantee to spend 87½ per cent of it on newspapers, TV and radio advertising."

Tim Dickson

The question of property shares

A NUMBER of property commentators have asked recently if the market will continue to do better than other forms of investment, and should holdings of property shares and bonds be reduced?

Julian Gibbs Associates, for example, is pessimistic. It cites the vulnerability of shop rents to the consumer spending squeeze and the effects of industrial recession on the factory and warehouse market. Gibbs quite rightly points out, however, that the circumstances that shattered the property market in 1974-75 are unlikely to recur and stresses the healthy performance of the leading bonds when measured against the Retail Price Increase. Finally it points to the Property Share Index strength in relation to the FT All-Share Index, out-performing by 16.3 per cent in the 12 months to June 30.

But the strength stemming from any fall in interest rates is thought to have been thoroughly discounted in property share prices. Bond performances in the first half of the year have been good but Julian Gibbs now expects the rate of growth to subside.

The stockbroking firm of Quilter Hilton Goodison, a specialist in the property market, has also recently remarked that the average discount to net assets of property shares has fallen below 20 per cent and concludes that, in the light of only minimal increases in rents and asset values, it is tempting to advise sales or at least some profit taking.

The broker might also have added that many active development companies are coming back to shareholders with request for quite substantial tranches of new equity.

If the events of 1974 and 1976 are repeated bond redemptions will exceed new money and any fall in values could be exacerbated by the fund manager's tendency to adopt conservative valuations in an attempt to discourage further redemptions.

But, just as the leading property companies have rebuilt their balance sheets and spread the development risk, most bonds have filled portfolios with good quality property. The once common weakness of single premium funds investing in only one property is now almost eradicated.

That does not alter the fact that prime property offers historically low yields of 4 per cent in the case of shops, perhaps a point higher for top quality offices and around 6½ per cent for well located flexible warehouses.

The relative attraction of a gilt-edged fund has arguably never been brighter, particularly if rental growth drops below the level of inflation over the next two years. Yet in almost every case, property investment is a long-term commitment justifying itself on a two- or three-year view of a management and a portfolio.

The general assumption is that values will stagnate in the near future or rise only slowly. That suggests that property is no longer an outright buy but it would surely be overstating the case to suppose that the market is susceptible to another massive slump.

Ray Maughan

Planning for when the crunch comes

INSURANCE

JOHN PHILIP

THE GREAT majority of two vehicle motor accidents result from acts or omissions on the part of both the drivers involved. The percentage of fault is infinitely variable, but in the rough and ready world of motor claims, lawyers and insurers initially tend to think in figures that reflect the generality of situations they have frequently to handle.

For example, at first sight, a collision on an uncontrolled crossroads postulates 50 per cent of fault on each motorist. This percentage is adjusted in the light of information, say, that one road is more important than the other, that there are certain road signs present, say on the relative speeds of the vehicles involved, on the tyre-brake marks on the road, on the point of impact, on the final position of the evhicles after the collision, and so on.

A full appraisal of the facts may, in the extreme case, lead to the conclusion that one of two drivers was completely to blame—but the more normal deduction is for a 60/40, 75/25 or some other apportionment.

In a perfect world the motorists involved, and their insurers, ought quickly to be able to make this kind of assessment, and then equally quickly settle their financial differences—but inevitably even disputes arsing out of uncomplicated crossroads collisions take three or four months, rather than three or four weeks to settle.

This arises partly from the volume of new claims that British insurers have to handle each working day—somewhere in the region of 10,000—partly from the fact that there are few claims where there is a clear cut case, without some conflict of evidence to be resolved. On the spot investigations, correspondence and interviews with witnesses and so on, all take time. Moreover, after any two vehicle accident, be it crossroads collision or any other kind of traffic accident, insurers have to have regard both to their own policyholder's interests as well as to the interests of other parties who may be claiming against him.

Staying with our simple crossroads collision, suppose Brown is insured with the ABC and Green is insured with the XYZ. Brown is insured fully "comprehensively" but has a £100 claim for hiring another car while his own is under repair: Green is insured less fully and bears the first £100 of any damage repair bill.

Brown's claim for hiring costs lies initially against Green and only through Green against Green's insurers. Likewise Green's claim for his excess has against Brown and so on to Brown's insurers. So on our assumption of 50/50 liability each should be able to collect £50 from the other's insurers.

Both Brown and Green, if they have experience of motor claims and mindful of likely disputes on the facts may well say to their respective insurers something like this — "Don't pay anything to that other fellow, until his insurers have settled my claim."

If both insurers heed this kind of request deadlock is quickly reached, and neither motorist will get any compensation for uninsured loss because neither will want to be the first to make any move.

Inevitably, too, motorists' patience will run out, lawyers will enter the fray, and insurers will then have to meet some legal costs in addition, which helps no one except the lawyers. Standard motor policy conditions give insurers the right to take over and handle as they think fit in the policyholder's name any liability claim made against him: they have full discretion in the conduct of such claim, and the policyholder must give insurers such help as they need. However, it is only in the extreme case that insurers stand on the strict letter of such policy conditions.

Where they know their policyholder to be making his own claim, they are most likely to ask what progress he is achieving and to say they intend making a percentage offer to the other motorist, fixing that percentage to give themselves and their policyholder elbow room to edge closer to what both regard as a reasonable compromise for all parties.

Moreover, although the theoretical responsibilities of two motorists for one motor accident should not total more than 100 per cent, in the process of compromise it may well happen that a figure in excess of 100 per cent of liability is reached.

To go back to Brown and Green and their £100 uninsured loss claims: on our 50/50 assessment, they should each receive £50. But it can happen that each insurer will pay his claimaint something more than £50, because of lack or of conflict of evidence, and because it is cheaper to pay a little more to settle without litigation.

UNIT TRUST AND INSURANCE OFFERS

HOW THE WIND OF CHANGE SHAPED THE NEW MERCEDES-BENZ S-CLASS.

The challenge: reduce energy consumption dramatically in the Mercedes-Benz S-Class. Both during manufacture and throughout a longer higher-mileage life. Do it whilst actually improving the S-Class performance, safety reliability and comfort other carmakers are still attempting to match.

AN ENERGY-SAVING SHAPE

The response: the new Mercedes-Benz S-Class with an aerodynamic drag factor of 0.36. One of the lowest recorded for any production car, regardless of size, passenger capacity or type.

This surprising figure results from the subtle new wedge shape that is not only sparing of energy, but significantly reduces the level of wind noise.

It also increases aerodynamic downforce by 30% for greater high speed stability.

And envelops more room for five passengers than even the previous S-Class afforded.

LIGHTER BY THE WEIGHT OF FOUR GROWN MEN

New technology and materials (light alloys, superior steels, aerospace synthetics) lighten the new S-Class by up to 5½ cwt. Shedding, in effect, the combined weight of four grown men.

This shows to advantage during give and take town and motorway driving. With less mass, the new S-Class requires less time and fuel to accelerate to cruising speed (anything up to 140 mph where legal).

YET STRONGER AND EVEN SAFER

Another S-Class paradox: weight-saving technology has engineered an even stronger and safer motor car.

Scientifically profiled high tensile steels, make the passenger safety cell even more rigid.

New three-stage progressive crumple zones absorb more impact energy more effectively.

New deformable lightweight plastic bumpers help to protect brakes, steering, lights and bodywork in a collision, then return handsomely to shape.

Aerodynamic polymer side panels add virtually no weight, protect bodywork, deflect water.

More extensive zinc coatings, plastic linings, undersealings and wax injections provide still greater rust protection: the one instance where Mercedes-Benz engineers have added weight, in the interest of the ultimate energy-saving of non-replacement.

FUEL-EFFICIENT LIGHT ALLOY ENGINES

The new all-alloy fuel-injected 3.8 litre V8 engine allows the new 380 SE to match its 4.5 litre predecessor's roadspeed. 300 lbs lighter, less stressed, less pollutant, quieter, its 218 (DIN) bhp at 5500 rpm gives it commanding acceleration throughout the range. Yet raises fuel economy to 25.9 mpg* at 56 mph.

A new 5 litre alloy V8 engine of the 500 SE propels this even more powerful and luxurious Mercedes but only consumes 24.4 mpg* at 56 mph.

The new 280 SE's twin OHC fuel-injected 6 cylinder now consumes up to 8% less fuel, returning 28.8 mpg* at 56 mph. While paradoxically, raising top speed to 127 mph.

These, and the two related SEL long wheelbase models, have the new Mercedes-Benz 4-speed automatic gearboxes that are 11 lbs. lighter and more efficient.

FREEDOM FROM STRESS

Enhanced driver comfort and alertness via reduced stress are further new S-Class advances. Examples:

A new automatic heating system maintains the temperature you pre-select.

Redesigned instruments and controls that communicate and operate more conveniently.

The interior rearview mirror has a sun visor behind it to block glare from the gap between the two main visors.

The front safety belts adjust for height.

DESIGNED BY THE FUTURE

Dense with technology, precisely engineered, energy-sparing, the new Mercedes-Benz S-Class will be provoking imitations years from now.

It uses less space, yet affords five occupants more room. It is more exciting, yet less demanding. More personally desirable, yet more socially responsible than any comparable car has ever been.

In 1973, the previous S-Class was voted 'Car of the Year'.

As the 1980's unfold, the new S-Class will become the car for the decade.

MERCEDES-BENZ. ENGINEERED LIKE NO OTHER CAR IN THE WORLD.

PROPERTY

The quality of life

BY JUNE FIELD

I'm just in love with all these three
The Weald and the Marsh and the Down countree.
Rudyard Kipling

HORACE WALPOLE wrote in 1749 that "if you love good roads, never go into Sussex"—referring to the clay-like substance on the ground called "loving mud" because "it do cling so." The difficulty of travelling around Sussex gave rise to the legend that both its people and animals have extra long limbs through pulling their legs out of the mud.

Happily, with the advent of by-passes and motorways, conditions have considerably improved: and the East Sussex/West Kent area now has easy access to London and its airports through the recent opening of a strip of the M.25 linking the Sevenoaks by-pass to the A.217 north of Reigate. This means you can drive from Mayfield in the heart of the East Sussex Weald, to Heathrow airport in about 1¼ hours via the A.3 past Kingston-upon-Thames, and Gatwick should only take about half as long.

The ruins of the original Scotney Castle near Lamberhurst stand in a moat fed by the stream which marks the boundary between Kent and Sussex. But as Mr. Richard Church observed in the introduction to the South Eastern section of the *Shell Guide to England, 1970*, from that point southward, down to the Romney Marsh and the coast, the boundary line becomes convulsive: "I suspect it of changing overnight . . . and I have never been sure from one mile to another in which county I stood."

Not that it really matters, because whatever their designation, the old villages have enormous appeal, particularly to those who have to work in the cities. The Prime Minister in Lamberhurst, and the locals know that Mrs. Thatcher still has a strong interest in the area.

I drove to Burwash, a Sussex village with a Norman church, Rudyard Kipling's home, Bateman's — built in 1634 for a wealthy ironmaster — and a High Street full of old houses. *Lector si monumentum requiris circumspice* (if you want to see his monument look around you) reads a plaque in memory of George Peirce, foreman with the East Sussex County Council, who died on December 17, 1971, while in charge of the reconstruction of Burwash High Street.

On Sundays you can have a roast beef lunch at the Bell Inn for £3.80, or home-made game pie at the 16th century Rose and Crown. "For Sale" boards on some of the pretty road-side houses include those of E. Watson and Sons, Burwash ("two cottages for improvement"), Geering and Colyer in association with Holmes and Leadbitter, High Street, Heathfield, and Douglas Moloney, Cranbrook.

"It is the quality of life, the country rather than the county appeal that is one of the main attractions as well as accessibility," insists Mr. Colin Mackenzie, partner in Hampton and Sons' Mayfield office.

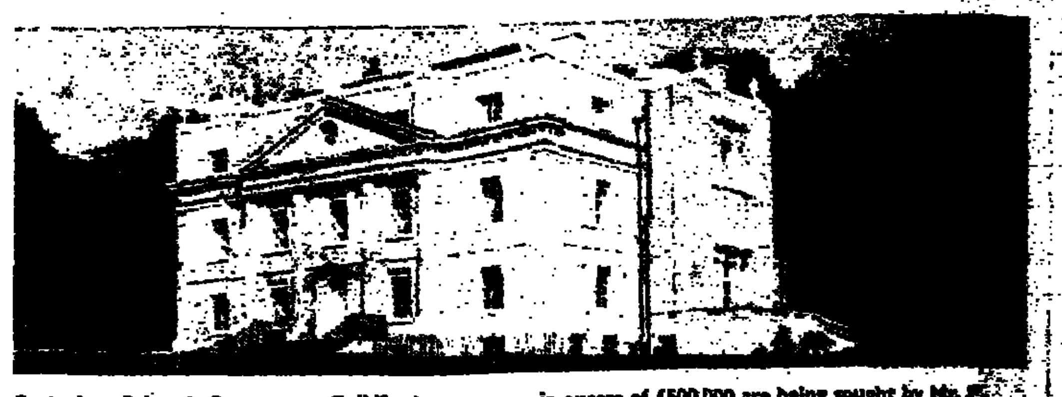
Although in common with most other agents, the office has a third more properties on the books than this time last year, he anticipates a rise in prices to bring them in line with Surrey, claiming that they are currently some 50 per cent lower than those asked for similar places in Guildford. For details of what is on offer (give your price range), contact Mr. Mackenzie at Hampton's, The Estate Office, High Street, Mayfield (04355 2294).

The properties I saw varied from tiny half-timbered cottages for doing up, £20,000 or so, to substantial period farmhouses such as Little Butts, near the hamlet of Cously Wood, two miles from the market town of Wadhurst, more than £100,000. This five-bedroom, two-bathroom partly 17th-century house has direct access to the Bewl Bridge Reservoir, with its amenties of sailing, trout fishing and wildlife watching; including wigeon, teal and tufted duck. Then there is Lord Soames' former home, Hamsell, in 40 acres at Eridge, which will be about £400,000 for the nine-bedroom, five-bathroom house, lodge, stable block, two apartments, two cottages, swimming pool, tennis court etc.

I found Horsted Parva, in four acres at Little Horsted, the most stylish restoration. A Georgian rectory in use until 1952, the highly individual conversion has been carried out with considerable flair by filmman Mr. Ken Shipman and his song-writer wife, Dee. The house has a pine-panelled living-room, dining-room with red-felt covered walls, music room, library area, and kitchen with all the equipment you could possibly need; the three bedroom and bathroom suites have decorative touches such as suede-effect covered walls, gold-plated taps and make-up lights, plus walk-in cupboards.

The price for the house (which also includes a two-bedroom staff apartment), and its orchards and paddock, is about £170,000. As a complete package, including the elaborate curtaining and some of the decorative contents (the cover of the billiard table is blue to match the carpet), as well as the pictures and chandeliers, the figure is around £250,000.

Horsted Parva in 4 acres with paddock and orchards at Little Horsted, Sussex, originally a Georgian rectory, has been stylishly restored to provide 3 bedrooms/bathroom suites, 2-bedroom staff apartment, library area and living-rooms. Colour brochure from Colin Mackenzie, Hampton and Sons, High Street, Mayfield, Sussex, who are inviting offers in the region of £170,000 for the house, or around £250,000 to include furnishings and fittings.



Puttenham Priory in 9 acres near Guildford, Surrey, is a beautifully preserved Palladian-style villa arranged as 2 apartments and 6 suites, with a staff wing and main reception rooms. Offers in excess of £500,000 are being sought by Mr. R. Hutchings, Hampton and Sons, 6 Arlington Street, London, SW1, or their Guildford office at 203 High Street.

Corsican charms

Boswell, in his *Account of Corsica*, 1767, found the prospect of the mountains covered with vines was extremely agreeable, and the odour of the myrtle and other aromatic shrubs very refreshing.

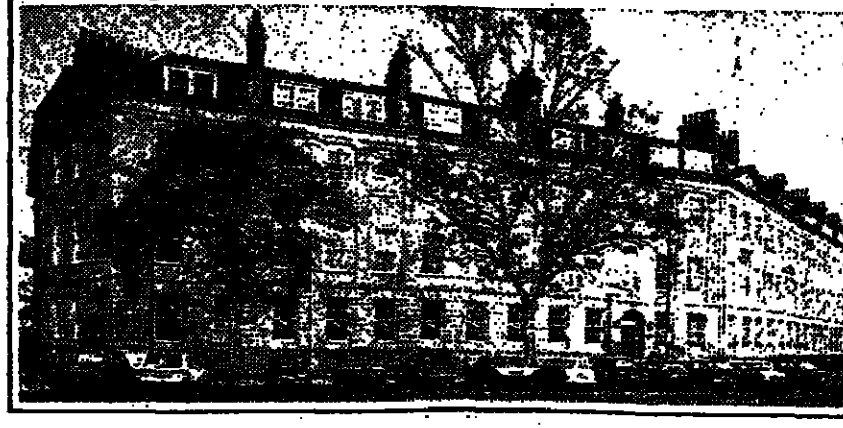
The French, too, find Corsica agreeable, a refreshing contrast to the crowded Cote d'Azur. Most of the property promotion during the last few years has been directed at mainland Europe. Now Paris-based resort builders Pierre et Vacances are hoping to attract British buyers to their well-established complex Terra Bella, near Porticcio, some 15 minutes from the airport and the capital town of Ajaccio, Napoleon's birthplace.

I stayed in one of the small apartments in the peaceful little traffic-free village that has been built in the hills back from the sea. Fairly basic holiday homes, most have been sold at prices from around £22,000. In the new phase, further in the hills, houses are being built for sale from about £32,000. The showhouse is extremely pretty, the decor in cool candy colours of sherbet pink and lime green, and it can be bought complete for about £38,000.

As with any overseas property, it is important to go and see the location. Corsica is still warm in the autumn (average October temperature, 61 degrees F), and the agents, Montpelier International Properties, can organise a flight either direct Heathrow/Ajaccio or via Marseilles. Contact Count Hugh de Meyer at Montpelier's offices, 17, Montpelier Street, London, SW7 (01-589 3400), or at the Homes Overseas Exhibition, Tuesday to Thursday, at the Midland Hotel, Manchester, open noon to 9 pm, closing at 7 pm on the last day. At the exhibition, Montpelier and numerous other firms, will be promoting properties in France, Florida, Mallorca, Switzerland, Greece and Portugal.

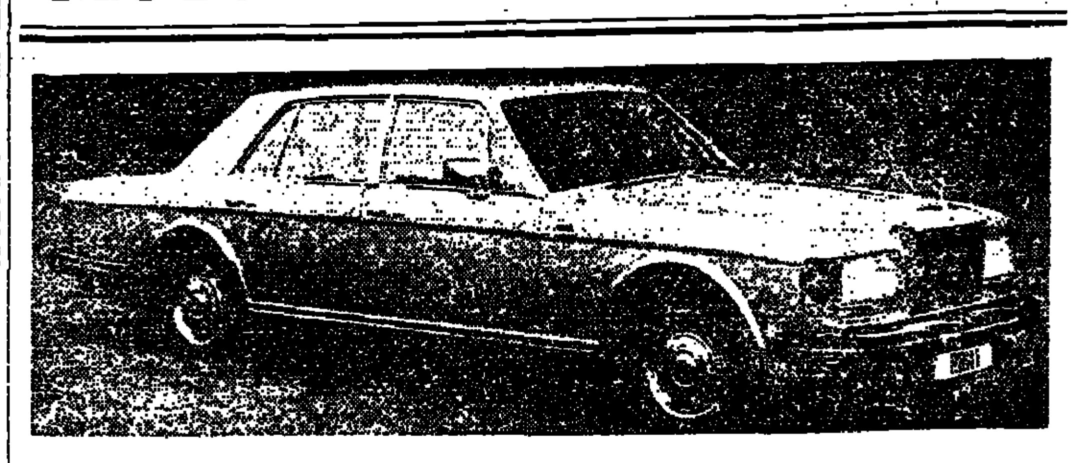
On October 30 to November 1, Homes and Travel Abroad magazine is holding its international property exhibition at the Cumberland Hotel, Marble Arch, London, open 11 to 8 on the first two days, 10 to 4 on the last day. Admission is £1, but the current issue contains a free ticket. Send 85p for a copy to the exhibition organiser, Mrs. Adele Leaf, Homes and Travel Abroad, 27, New Bond Street, W1.

Terra Bella, near Porticcio, Corsica, pretty complex of apartments selling from about £22,000. Houses being built further back in the hills are from about £32,000. Brochure from Hugh de Meyer. Montpelier International Properties at the Homes Overseas Exhibition at the Midland Hotel, Manchester. Tuesday to Friday. (Photograph Trevor Kenyon).



Financial Times Saturday October 4 1980

MOTORING



A Rolls is a Rolls is a . . .

BY STUART MARSHALL

ANY NEW CAR introduction is interesting but the launch of a new Rolls-Royce is an event, simply because it happens so rarely. The Silver Shadow, a design revolution which one *feels* Rolls-Royce are *still* digesting, made its bow 15 years ago.

It has, of course, been steadily improved since then but only people who really know about Rolls-Royces can tell a 1965 Shadow I with a cherished and thus timeless number plate from a 1980 Shadow II. (Black bumpers and a plastic air dam *under the nose are the secrets:* pre-1977 models don't have them).

The Silver Spirit, which emerged from its wraps at Paris Show this week, replaces the Silver Shadow II. A longer wheelbase variant, that takes over from the Silver Wraith, is called the Silver Spur. And the Bentley that succeeds the *Shadow-based Type T is called* the Mulsanne, the name of he long straight at Le Mans. It is a nice touch of nostalgia—a reminder of the *marque's* victories in the 24-hour race there in the 1920s.

Because the engine, transmission and front suspension are hardly changed from the Shadow II, a cynic might dismiss the Silver Spirit as merely a re-skin and ask what all the fuss was about. He would be wrong.

There has been a complete redesign of the rear suspension, eliminating the tyre noise and ride harshness that led people to complain that the vastly cheaper Jaguar XJ models rode better than the *Rolls*. They did, but they don't any more. The Silver Spirit sweeps along any kind of surface with the lack of disturbance one is entitled to expect of a car costing around £50,000 on the road. It treats coarsely textured roads, potholes, expansion joints and drain covers with the kind of disdain a Rrench wine waiter reserves for tourists who order Coca-Cola to drink with their *gigot d'agneau en cruote*.

Bearing in mind that a Silver Spirit, four up and with a boot full of luggage, weighs getting on for 2½ tons, it handles with considerable sprightliness. The car I tried had the new D7 steel-belted radial tyres that Dunlop has developed specifically for Rolls-Royce and Jaguar. They rode ultra-quietly but provided sharp steering response and far more grip than I dared use on a public road.

A Silver Spirit is not the kind of car one throws around until the tail lets go, especially when there is a Rolls-Royce executive sitting in the back. But it felt nicely balanced when pushed into corners at speeds no sensible owner is likely to contemplate and proved a surprisingly fast car on a cross-country journey. It was no noisier (I mean, it was just as quiet) at 100 mph as it was at half that *speed. In short, it was every*thing a super-luxury car should be, though for my taste the steering still has a surplus of assistance and not enough feel.

Rolls-Royce say one gets used to it. I am sure they are right but I think Mercedes, BMW and Porsche manage their power-steering systems better. When the first round of improvements is made to the Silver Spirit in the mid-1980s, I shall be surprised if the steering is not firmed up a little.

What can one say of a Rolls-Royce engine and transmission other than that they live out of sight below stairs and admirably fulfil their appointed role? *The V8 is still of 6¾ litres capa*city and of undisclosed output. Rolls-Royce say "sufficient" if one is rude enough to inquire but my guess is a shade over 200 horsepower. It is basically the same 15 year-old Silver Shadow engine, but refinements during its lifetime have improved fuel economy by 20 per cent. The fleet of Rolls-Royce Silver Spirit and Bentley Mulsanne demonstrators driven down to the South of France for the pre-launch test driving averaged 15.3 mpg; the Shadow IIs used for their launch in Spain more than three years ago averaged 13.5 mpg.

Rolls-Royce are sensitive to their car's fuel consumption. This is not because the man who spends £50,000 of his company's money on one is worried about pence-per-mile but because the American public conscience will no longer tolerate the gas guzzler, as the U.S. car industry has learned at *terrible cost*. During the 1980s the Rolls-Royce V8 will become smaller and more efficient and fuel injection—standard on cars going to North America—will replace carburetters. Turbocharging is being tried; a Rolls-Royce Turbo is a future possibility. An overdrive for the three-speed automatic transmission—already in use on cars made by General Motors who license Rolls to make their current automatic—is not far away.

The two-level, automatically controlled air conditioning is as effective as ever. In a genuflection toward the age of the microchip, Rolls-Royce have fitted a panel in the fascia with a digital clock and readouts for ambient temperature and time elapsed since the journey began. They assured me they could add lots more things like average fuel consumption and how many litres are required at any moment to refill the 107 litre (23.5 gallon) tank but share my feeling that too much information can be self-defeating.

The Bentley Mulsanne is *exactly the same as the Silver* Spirit in every way except for its radiator shell. If you can't make up your mind to have a Rolls-Royce or a Bentley and maximum speed really counts, go for the Bentley Mulsanne. Flat out, it's good for another three miles per hour because the curved grille sets up less wind resistance than the Silver Spirit's polished Greek temple.

LEISURE

A tale of the five pound putter

GOLF
BEN WRIGHT

EVERY GOLFER knows the moment, but for few does it mean quite so much. You walk into the professional's shop, pick up a club and immediately it feels just right. For most of us acquisition of the club concerned might mean a couple of good rounds in the monthly medals; for Berhard Langer it has so far meant £9,400 as well as release from one of golf's most dreaded afflictions.

For four years the 23-year-old Langer has suffered from the "yips" — that uncontrollable jerk of the putter which sends the ball in almost any direction but the right one, and at a length determined by fate rather than thought.

The disease was threatening his very promising career until, barely a month ago, Langer walked into Clive Clark's shop in Sunningdale to do some work on his current putter.

Instead he walked out with an ancient putter he had found lying on a work bench, and he has since won nearly £10,000 with it. Furthermore, he has the chance to add another £10,000 to that sum by winning the Dunlop Masters at St. Pierre, Chepstow, a tournament he leads by two shots after the first two rounds.

Langer is seven under par, at 135, followed by Brian Barnes two strokes away, with Nick Job four under, Nick Faldo and Ken Brown three under and Mark McNulty and Manuel Ballesteros at two under. Among a host of players at one under are Lee Trevino, the leading American, and Sandy Lyle, who is one shot in front of Greg Norman in their personal battle for the top of the European Money List.

Langer, who must be one of the youngest players ever to be visited by the yips, found his salvation in a club which had formerly belonged to a lady member at Sunningdale and Langer, after giving it a try on the putting green, paid a fiver for it. It has proved to be the best investment of his life, and the 25 putts he had in yesterday's round contained nine singles.

Just how important the club has become to him is illustrated by the fact that his playing partner, Sam Torrance, had a 66 to Langer's 65, and also took 31 putts.

Langer is a West German, an isolated species on the European tour, and began his golfing life in classic manner, caddying for pocket money at the nine-hole course in his home town, Augsberg.

He moved on to Munich, began to play and found a talent for striking the ball. Putting was always difficult, however, and became more so when it was a question of having to hole them or not eat. "I listened to lots of other professionals telling me how to cure the yips but I knew it had to come from in here," he said, tapping his head.

What he needed, he knew, was confidence and now that he is armed with it he will be a formidable opponent.

"I'm working harder than ever on my game because at last I can see the results, the rewards. Before it was difficult to carry on working because it was like banging the head against the brick wall."

He has tasted contention in recent weeks—often a pre-condition for winning—and has finished second in the Tournament Players' Championship and fifth in the Bob Hope Classic.

Brian Barnes, two shots behind, could easily have been *plenty more after* some adventures at the eighteenth. He was interrupted at the top of his back swing by applause for someone's second to the seventeenth. For long moments it looked as though the resultant shot would go out of bounds but instead it bounced off the roof of a shed beyond the boundary wall and finished just in front of the green. Barnes chipped up to four feet and got his par.

Green and Trevino: not quite up to scratch.

Nick Job, who controversially admitted to taking tranquilisers at the Benson and Hedges Tournament is again near the lead. He is not, though, taking any pills and says that he does not intend to. "There isn't very much pressure on me here. It's the end of the season and, financially, I've had by best year ever."

Ken Brown's 67 hauled him back into contention for almost the first time since the Open Championship in July. "I got a little complacent after the Championship," said Brown and he has had to take a fresh grip on matters.

The imported American challenge is not distinguishing itself. Only Lee Trevino is under par and the overnight leader, Hubie Green, followed his 67 with a round of exactly ten more. He is now two over par, one worse than Bob Byman but three better than the former American Masters Chmapion, Fuzzy Zoeller.

Manuel Pinero could have used a little of Brian Barnes' luck at the eighteenth. The diminutive Spaniard hit his first two tee shots out of bounds.

... and so was Zoeller

finished up with an eight and went from three over par to eight over.

The battle within the war — Sandy Lyle versus Greg Norman for the leading place in the European Money List—is going fractionally the way of the *Briton. Lyle had two birdies* and a bogey in his one under par 70 to establish a slim, but possibly vital, one stroke lead over Norman who has played both his rounds so far to level par.

Decisions on where to ski

TRAVEL
ARTHUR SANDLES

IT IS about this time of year, *when the leaves are turning to* gold and the cat is showing increasing reluctance to chance the night air, that a skier's mind turns to thickening waistlines and rusted edges.

Both are a considerable hindrance to a full enjoyment of the snows to come, and both are evidence of a mis-spent summer. It is about this time of year too that the sprinkling of ski brochures that started to appear in the late summer becomes something of an avalanche. The ski season is clearly upon us.

Thanks to the strength of sterling and an overall downturn in western economies those who still have enough money to go skiing will find themselves in a buyers' market. Ski brochures suggest that prices have, for once, increased by rather less than British inflation and there is an abundance of special offers. With so much competition, however, it is very much a case of "let the buyer beware."

The ski market, perhaps more than any other, abounds with extras — additional payments which can quite easily double the price of a holiday. Quite apart from such basics as food there are questions of lift passes, insurance, airport taxes, security charges and equipment rental. Some tour companies are even adding insult to injury by threatening an additional charge for the carriage of skis.

One of the difficulties of the ski business over the past few years has been the increasing, or so it seems, unpredictability of the weather. Unless you are extraordinarily shrewd or remarkably lucky, it is only the born optimist, for example, who goes skiing at Christmas these days.

The past few seasons have seen winter getting later and later both in Europe and in the U.S., which is seeing more and more British skiers.

If you are determined to ski at *Christmas the only answer* is to head high, and to head for south facing slopes.

Look for resorts where there are plenty of runs above 2,000 metres, but remember that such a height in late December can mean some chilly ski conditions.

Life is likely to be more pleasant in the mountains from early February on, and it is that time that I would urge any beginner particularly to choose.

Where to ski presents a terrible decision. The choice of resort depending so much on ski standards, night life demands, affections or irritations for particular national characteristics and eating needs. For me the perfect resort would have French skiing, Italian food, Austrian apres-ski and American prices. Since there is no such ski heaven one can only seek the best compromise.

The main thing to remember in making this compromise is that there is no point in spending money on what you are not going to use. Thus the cost of *going to, say*, Val d'Isere, *where* the skiing is superb and the lift pass is priced to match, is not justified if you are a beginner looking, above all, for a wild nightlife.

If that is the case you are going to be much better off in Alpbach, Brand or one of the Spanish resorts.

Zermatt, Switzerland

But what about prices this season? Well, skiing is still not cheap, even with a healthy pound. Sample prices for that first half of February are: Zermatt, one week, half board *£234 plus insurance (Inghams)*; St. Anton, one week, half board £174, insurance included (Thomson); Flaine, one week, full board, £228, insurance included (Horizon); Courmayeur, one week, half board, £185, insurance included (Neilson); Aspen, one week, room only, £182—flight is not included but insurance and lift pass are (Ski America).

These are not necessarily best buys, only examples. The bargain end remains in the hands of the lovable Snowball ski coach company which is offering Puy St. Vincent in France at the same time for a basic £89.95 in the same February week (self catering, plus insurance).

Wherever you choose it is probably a good thing to book early. In spite of the fact that there is likely to be an over-supply of ski holidays this winter, and therefore some last-minute price cutting, I have two reasons for saying this.

The first is that by booking early you actually get what you want and not what the tour operator wants to sell, and the other is that the Middle East war could very well affect fuel prices and currencies quite severely in a matter of weeks.

If you want to make further research into particular ski areas by far the best book on the subject is Mark Heller's *World Ski Atlas* (Marshall Cavendish, £9.95) which may be a bit pricy for one-off use but is an invaluable present for a keen skier, and one which you can use yourself before you actually pass on the gift.

This book will answer all those awkward questions about how high the runs are, which way they face and how good, or bad, the skiing is.

Further information—National Tourist Offices: Austria, 30 St. George Street, London W1. France, 178 Piccadilly, London W1. Italy, 201 Regent Street, London W1. Norway, 20 Pall Mall, London SW1. Scotland, 23 Ravelston Terrace, *Edinburgh*. Spain, 57 St. James Street, London, SW1. Switzerland, Swiss Centre, 1 New Coventry Street, London W1. United States, 22 Sackville Street, London W1.

Tour Operators (sample list only, tourist offices will supply a full list of operators to their own country): Bladon Lines, 1 Broomhouse Road, London SW6. Blue Sky, Blue Sky House, London Road, East Grinstead, Sussex. Enterprise Wintersports, 1 Wardour Street, London W1. Erna Low, 5 Bute Street, London SW7. *Global, Glen House, 200 Tottenham* Court Road, London W1. Horizon, Broadway, Edgbaston, Birmingham B15. Inghams, 329 Putney Bridge Road, London SW15. John Morgan, 35 Albemarle Street, London W1. NAT Holidays, 20 Kensington Church Street, London W8. Neilson Ski Holidays, International House, 125 Granby Street, Leicester. Rofe Travel, 17 Princes Arcade, Jermyn Street, London, SW1. Ski America, 194 Old Brompton Road, London SW1. Ski Snowball, 280 Fulham Road, London SW10. Supertravel, *22 Hans Place, London SW1*. Small World, 5 Garrick Street, London WC2. Swans, 329 Putney Bridge Road, London SW15. Thomas Cook, 45 Berkeley Street, London W1. Thomson, Greater London House, Hampstead Road, London NW1. Mark Warner, 193, Victoria Street, London SW1.

TRAVEL

No shortage of flowers

GARDENING
ARTHUR HELLYER

IT IS WORTH looking around gardens at the moment to see just what is still in flower for, though there is going to be no shortage of berries this autumn — the cotoneasters and pyracanthas are already looking magnificent and I cannot recall any year when *Rosa moyesii* has been more heavy laden with its large scarlet heps—flowers are *also welcome in autumn and* there are some very good ones among them, not all sufficiently well known.

A fortnight ago I mentioned some of the polygonums which retain their flowers so well, and they are just decorative now as they were then. Michaelmas daisies are also good this year, none better than some of the large flowered, short and bushy varieties associated with *Aster amellus* and *A. thompsonii*. The old hybrid between these two species, *A. Frikartii*, is still, in my view, the best of the lot, a plant stiffer in stem and almost as large in flower as the much more publicised but floppier King George and a regular non-stop performer from late July until now or even later. I saw it the other day growing with Rudbeckia Goldsturm, still unsurpassed among the shorter coneflowers, and the combination of gold and blue was very striking.

The damp and cool summer has suited the Japanese anemones admirably and again I cannot recollect a year when they have flowered more freely or looked fresher and brighter. The very old rose pink, rather short stemmed variety Lorelei was looking particularly colourful in one garden I visited recently but it would probably be a difficult plant to purchase now, most nurserymen having abandoned it in favour of newer and larger varieties such as semi double Lady Gilmour, September Charm and Bressingham Glow. For some reason white Japanese anemones always seem to be taller than the pinks, 3½ to 4 ft for good varieties such as Louise Uhink and White Queen against an average of at least a foot less for the pinks and rosy reds, a point to bear in mind when grouping them in the garden. I find that all Japanese anemones recover rather slowly from transplanting and so really need to be given places where they can be left undisturbed when other things have to be moved and divided.

All these plants are relatively well known but I wonder how many young gardeners have even heard of the cimicifugas, let alone seen them. They are all white and they carry their small, fluffy looking flowers in slender bottle brush spikes. They are both elegant and effective since there are always plenty of flowers to make a good display, and they stand up well, some of them over 5 ft if the soil is good and rather moist which is what they all enjoy most. There are several species, *Cimicifuga racemosa*, *C. simplex*, and *C. cordifolia* among them, and all are almost equally attractive but, *where a big plant can be accommodated*, *C. racemosa* is the one to choose.

Another half forgotten herbaceous perennial very useful at this time of year is *Artemisia lactiflora*, a plant totally unlike the popular image of an artemisia since its leaves are deep glossy green, not grey, and its big plumy sprays of creamy white flowers are really decorative. It is another easy plant to grow provided the soil never drys out for long and, like the cimicifugas, it is really happiest when shaded from strong sunshine.

It is only these past few weeks that I have realised how much earlier flowering the new pink kaffir Lily, Schizostylis Sunshine, is than the old, smaller flowered, paler pink Viscountess Byng. Sunshine has been flowering for several weeks but there is no sign yet of Viscountess Byng, nor likely to be until mid-October, but once it starts it can continue until Christmas if the weather is kind. There appears to be a similar difference in timing between the ordinary wild scarlet kaffir Lily, *Schizostylis coccinea*, and its large flowered garden variety Major and these are points that might well be born in mind when planning autumn flower colour in the garden.

This is, of course, one of the two big heather seasons, the other being in late winter and early spring, with all the innumerable varieties of *Calluna vulgaris* and the rather smaller cohorts of *Erica ciliaris* and *E. vagans* in full force at the moment. But this is such an *important group of plants that* it would be ridiculous to pass it by in a paragraph and it must wait for an article to itself on some other occasion.

Both flower for a long time and both enjoy warm sunny places and well drained but not dry soils. They are sufficiently small to be grown in rock gardens or on raised rock beds.

The other day I sat on a low terrace wall smothered in white *Clematis flammula*, the sweet smell of its flowers drifting across the whole garden. I am amazed that it is not more widely planted for it is one of the most beautiful of the autumn flowering species, much freer flowering than yellow *C. tangutica* though lacking the extreme silkiness of its seed heads. I have also met Huldine for the first time recently, a clematis that proved to be very different from my previous picture of it gained from nursery catalogues. The flowers are relatively small and very numerous, white but with a faint undercurrent of pale violet and very beautiful climbing up a brick wall and framing an archway.

Verbena is one of those families poised rather uneasily on the borderline of tenderness. The common garden kinds, hybrids of uncertain origin, are nearly always grown as half hardy annuals despite their obvious readiness to live on for years provided the winters are not too cold and the soil is not too wet. Some varieties have actually been given names and are propagated by cuttings, like crimson Lawrence Johnston and Sissinghurst, which makes carpets of cherry red. The same is true of the vivid scarlet species, which most gardeners call *V. chamaedryoides* though probably it should be *V. peruviana*.

But there are also verbenas of a very different character from these carpeters and I grow one, named *V. bonariensis*, which can reach 5 feet, is sparsely, even rather gauntly branched and has small clusters of violet purple flowers.

RACING

DOMINIC WIGAN

THE TWO HORSES to have dominated the Cambridgeshire betting in recent days, Tender Heart and One Fleet Street, have been drawn next to each other at eight and nine for today's renewal of the William Hill Prize and it will be intriguing to see whether their respective riders opt for the stand side or decide on the far rails.

Irrespective of their decisions the outcome is unlikely to be affected for the draw seems to be having surprisingly little effect over the Rowley Mile at this meeting.

Although Epsom confidence in Joe Mercer's mount, Tender Heart, has in no way diminished since the four-year-old went down to his old foe, Baronet, at Ascot I detect similar stable confidence in One Fleet Street. On the face of things a stronger case can be made out for the Lambourn runner than the favourite for in contrast to Tender Heart One Fleet Street is not only improving with every race but appears to be something of a blot on the handicap off bottom weight of 7st 7lbs.

Despite the fact that the prevailing ground is in sharp contrast to the holding underfoot conditions at Esher five weeks ago when One Fleet Street put up his best performance in making all to beat Old Kate in the Corvo Wine Trophy, Louis Freedman's colt will not be beaten on account of the going. Nor, for that matter, is he likely to fall through the saddle. In Richard Fox, Peter Walwyn has secured the strongest and, arguably, most unflappable lightweight now riding.

Wild Idea and Snow represent France and Ireland respectively in the Sun Chariot Stakes, but despite their presence I am content to rely on Vielle, who will find this 10 furlongs far less taxing than the one and a half miles of the Knavesmire. Other likely looking winners over a weekend I hope to see rounded off with a win by Three Troikas in the "Arc" are Maintop, not seen out since a highly promising run in the Wood Ditton, and the well thought of Bedford.

NEWMARKET
1.45—Dollar Pocket
2.20—Vielle
3.00—One Fleet Street**
3.35—More Light
4.05—Maintop***
4.35—Bedford*
5.05—John Willoughby

HOW TO SPEND IT

by Lucia van der Post

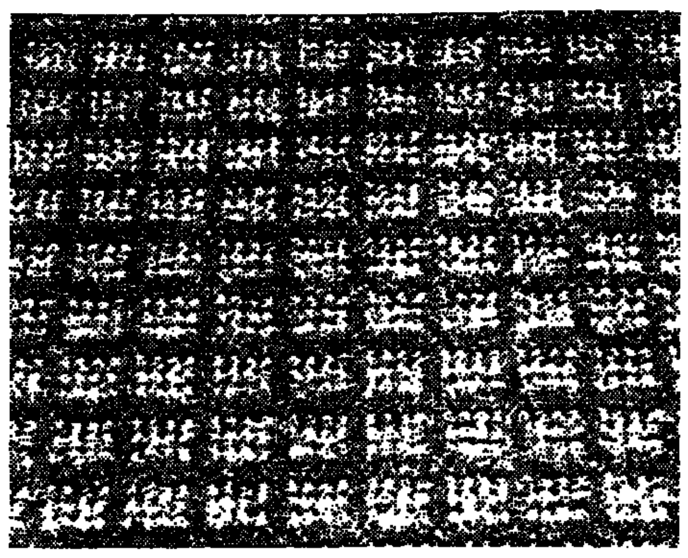
Vive Chanel

COCO Chanel it was who said "perfume should be sprayed wherever you expect to be kissed" and Coco Chanel who created her own Chanel No. 5 so that the *haute monde* could be elegantly sprayed. In her time renowned for her love affairs and acerbic tongue as much as for the gold chains and ropes of pearls that she used to dress up her clothes, she created a style and taste that was instantly recognisable.

Though an original Chanel was only for the very rich her distinctive lines were copied by wholesalers the world over and I remember very well buying my first Chanel-type suit—Wallis shops, ever the working girl's best friend, used to produce very natty suits with the distinctive look and braiding of the real thing at a fraction of their cost.

At 26, Old Bond Street, London, W1, women will once again be able to find all those distinctive Chanel hallmarks—elegant slimline suits, soft, floppy blouses and the pearls and chains to add the finishing touches to the look.

The boutique will be selling ready-to-wear clothes, created by Philippe Guibourgé, but created in the authentic Chanel tradition. There will be lots of little suits, though as you can see from the photograph, the skirt length is the new on-the-knee length, matching blouses, some marvellously dashing full-length evening dresses and some of her famous "little black dresses." If all you remember from last time round is the price, you'll be in for a shock—1980 prices run at about £600 for a suit, and about £240 for a little black dress.



Floored

CHOOSING A carpet is among the most difficult tasks I know. So much money is usually involved that one is haunted by the sense that any mistake will be a disaster so any sense of adventure is squashed at birth and most tend to play safe by choosing something nice and neutral that'll blend with anything. Having decided to play safe as to colour and pattern still leaves one with the vexed question of quality, price, fibre, wearability and so on.

If you're looking for a new carpet I do recommend the new Kyoto range by Crossley. Firstly, it has been made in a new fibre which seems from all the evidence to offer genuine advances. It is what the manufacturers, Monsanto, describe as an "Advanced Generation Nylon" the reasons for which description are obvious to anybody who remembers the ghastly performance of the first generation nylon carpets.

However, I defy anybody to find any resemblance between those and this latest fibre. I can't personally attest to anything other than its appearance but that is splendid—there are 12 wonderful plain colours that manage to seem easy to live with and yet original, ranging from pale beige to warm rich brown and all sorts of soft shades in between.

The Crossley team tell me that the new fibre "Ultron" also combines very good static protection with high soil resistance. Certainly it looks very like wool (to which natural fibre all artificial ones are compared). Kyoto, as the collection of carpets is called, is currently in the shops and sells at about £13 a square yard.

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More carpet news—for those who prefer their carpets made from natural fibres Sanderson have brought out a lovely collection of carpets using traditional Berber colourings and all made from 100 per cent wool yarns. They are woven on Wilton looms and have a very attractive textured effect so that pattern is provided by differing thicknesses of pile. Most of the patterns are geometric and the overall effect of them varies depending on how large or small the pattern is. Colours are few—the white, beige and sandalwood of the traditional Berber carpets. Shown, above, is "Mosaic" one of four designs in the new collection. On sale now, prices start at £26 per square metre.

●

Afia Carpets, of 81, Baker Street, London, W.1 are having their usual rollover sales from October 4 to 11. Lots of trial lengths will be available at reduced prices.

Warm-up for Winter

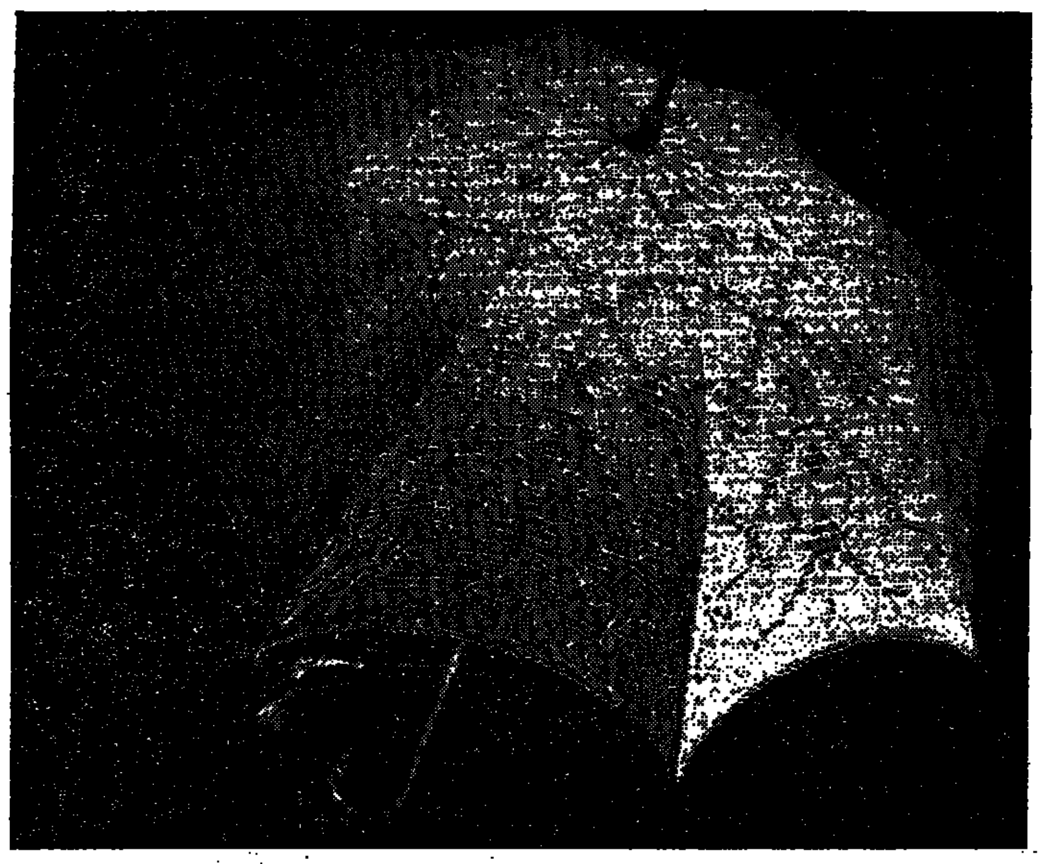
ANYBODY who has looked at the price of most knitwear this autumn will be reeling at the cost of anything that has any claim to originality or individuality. Not all of us can knit but for those who can and like it one of the answers is to knit up the garment they want themselves.

This week we're offering an exclusive pattern free to Financial Times readers. As you can see from the photograph, right, the jacket is exceedingly simple but is one of those garments that will prove endlessly useful, having the versatility of the cardigan but much more elegance. I particularly like the ruffled tie-neck.

The jacket was devised by the International Wool Secretariat in conjunction with Sirdar Wools and Ries Wools of Holborn. Though we show the jacket in creamy white, the Sirdar Majestic wool used to make it is also available in 27 other colours including black, terracotta, claret, aquamarine and avocado. Even the most timid of knitters shouldn't find it too difficult—a simple ribbed stitch is used throughout.

The pattern is free in return for a stamped addressed envelope from Ries Wools of 242/243 High Holborn, London WC1. Anybody wanting to see the jacket made up can see it at Ries Wools from Monday onwards, and during next week between 11.30 am and 2.30 pm on Monday, Wednesday and Friday a knitting advisor will be on the premises knitting up the jacket. Ries Wools will also supply the wool. 17, 18 or 19 (depending on size of garment) balls of Sirdar Majestic Woolmark double knitting yarn at 94p per ball will be required. If you want the wool sent by mail enclose an extra £1 60.

For a local Sirdar stockist write to Sirdar, PO Box 31, Alverthorpe, Wakefield WF2 9ND.



Left: Heide Jenkins made this toy "Ferdinand 1" using quilting, padded patchwork, needlelace and fine macramé. From the exhibition at the Commonwealth Institute. Right: An early 20th Century Italian parasol, showing cut-work embroidery on white linen. From the Embroiderers' Guild exhibition at Barkers of Kensington.

Stitches through the ages

IT'S been apparent for some time that there has been a huge revival of interest in the old-fashioned arts of needlework and embroidery but anybody who still doubts the truth of this should hurry along to the exhibition currently on (until October 19th) at the Commonwealth Institute, Kensington High Street, London, W8.

What is immediately apparent is that modern embroiderers approach the matter with much ingenuity, wit and light-heartedness. The solemnity that seems to have surrounded medieval embroidery is almost entirely absent. Now that fine work is no longer reserved for ecclesiastical or baronial surroundings embroidery seems to have been liberated and taken on a whole new lease of life.

Soft sculptures and three-dimensional hangings look new and fresh to the eye and seem to have as little in common with their medieval ancestors as a Jackson Pollock painting does with a Rembrandt. And yet, of course, just as Jackson Pollock uses materials and techniques that were not unknown to Rembrandt, so modern embroiderers use many of the traditional repertoire of embroidery stitches.

Some of the soft sculptures seem to me to break quite new ground—there's a marvellous cauliflower with florets made of padded nylon and a large caterpillar is busy crawling out of the stalks. Then there's a group of three wild Irish characters, Aunt Josepha, husband Eddy and Tony the Tramp, made by Liane Stahl of Co. Kerry. Tony the Tramp is complete with three-day stubble on his chin and an empty gin bottle in the hand.

Some of the exhibits are for sale, at prices starting at £36, and the 200 pieces on display were selected from over 800 entries sent in by members of the Embroiderers' Guild, who have been responsible for organising the exhibition.

Anybody interested in embroidery and in need of a little inspiration should make a point of going along. Hours are 10.30 to 4.00 on weekdays, Sundays 2.00 to 5.00, admission 75p or 40p for schoolchildren, students and old-age pensioners.

If you've taken the trouble to visit the exhibition at the Commonwealth Institute it isn't far to a contrasting display of historic embroideries currently on (until October 18th) at Barkers of Kensington High Street (admission is free during store hours). Here the embroidery lover will be able to compare the skills and techniques, tastes and styles of other ages. There are embroidered costumes from all periods and countries. Victorian bead bags, samplers and English needlepoint lace, Edwardian trousseaux and silk patchwork quilts—a panoply of the best of our historic embroidery.

Those who can't get along to the exhibitions but are interested in the whole subject might like to consider joining the Embroiderer's Guild—it costs £8 a year and entitles the member to attend classes, lectures and workshops. There are some 77 branches all over the country, but for further details write to: Secretary, Embroiderer's Guild, Apartment 37, Hampton Court Palace, East Molesey, Surrey, KT6 9AU.

A cautionary tale

ON October 1 new government regulations governing the sale and manufacture of upholstered furniture came into effect and anybody thinking of buying upholstered furniture of any sort should take some time and trouble to find out exactly what it is all about. Basically the regulations mean that as from last Wednesday any upholstered furniture that doesn't resist ignition (as defined by various recognised tests) from smokers materials must be displayed with an accompanying cautionary label.

Under the regulations the tests which determine whether a given piece of furniture must carry the label or not are carried out by independent laboratories and each manufacturer has to make sure his own products are tested. This is certainly going to be a powerful incentive to every manufacturer to make sure his furniture doesn't have to carry the dreaded label—after all, it is most off-putting to be confronted with an apparently desirable sofa labelled Caution—Careless use of matches could set fire to this furniture—or, Caution, Careless use of cigarettes could set fire to this furniture.

In the long run it seems certain that the regulations are a good thing—the fumes from inflammable foams can kill exceedingly quickly—but it seems inevitable that some price rises, particularly at the lower end of the upholstery market, will have to follow.

Speaking very broadly, at the upper end of the upholstery market the materials used would usually pass the ignition tests, whilst the foams used at the lower end are, in general, those that will from now on have either to carry the warning or be substituted.

Any upholstery made after 1st October will also have to have a permanent sewn-in label attached to it whilst eventually, from 1st January 1983, it will be illegal to sell furniture that doesn't comply with the test.

If anybody in the meantime finds the whole thing too complicated to understand two stores have gone to a great deal of trouble to make it all as clear and simple as possible to their customers. Habitat shops have produced a free leaflet that explains the ins and outs of the regulations whilst Joshua Taylor of Cambridge has set up a special promotion showing how the labelling works and have briefed all their staff on the subject.

ARTS

Richer and poorer

BY ANTHONY CURTIS

No one is going to dispute the claim made this week by the BBC that *Outside The Jewellers* (Radio 3, September 28) is the first play written by a Pope ever to be broadcast. Karol Wojtyla wrote it in 1960, long before he became Pope John Paul II, as a Roman Catholic bishop in Poland. It belongs to a style of dramatic writings, the translator Boleslaw Taborski tells us, developed in 1941 during the Nazi occupation of Poland by a group called the Rhapsodic Theatre. Wojtyla was one of the founders of the group which met in secret in private apartments for performances of plays and poems enshining the fre spirit of Poland which were given without any scenery or stage properties.

The Pope's play consists of a series of soliloquies in verse, which must have been hard to translate, concerning the marital fortunes of three inter-related couples across two generations. Some critics have taken issue with this choice of subject for a writer in the peculiar situation, *vis-à-vis of mariage*, of his Holiness; but it seems to me that there is nothing more incongruous about a Pope with a poetic talent writing a play about marriage than there is about a French ambassador with a poetic gift, like Paul Claudel, writing a play about being Pope. *Both are going to require* considerable imagination on the part of the writer.

It was clear from the Pope's play, in John Theocharis's beautifully discreet and unassertive production, that he does possess a genuine literary imagination, but it was quite a difficult play to follow. Soliloquy, except in the hands of a great master like Beckett, loses impact on radio, and it is fiendishly difficult even for highly intelligent performers like Maureen O'Brien and Barbara Jefford to achieve after *a time any variety or surprise.* Nonetheless the basic pattern, of each couple in turn paying a visit to the jewellers and seeing in the plate-glass window a vision of the future, held the characters' ruminations and recriminations together quite effectively. The play communicated by implication a sense of a country permanently occupied by alien forces where even the most private experience has to be lived obliquely through a traditional symbolism.

The jeweller himself (Godfrey Kenton) and a mysterious figure called Adam (Nigel Hawthorne) elucidate this symbolism and propound a selfless kind of love within marriage as each of the couples enters into the married state. *Andrew (David Timson)*, the husband in the first couple, is killed in the war; then his son, Christopher (Michael Maloney), conceived before marriage, is born. Christopher marries the daughter of the second couple, Monica (Janet Maw). This couple has split; thus we have bereavement, breakdown, and hope, as three contrasting moods of marriage, explored by the play. It is a strangely disembodied kind of marriage for all three couples, seen under the aspect of eternity. The play does contain some fine insights but I feel that David Lodge's last novel, *How Far Can You Go?*, came closer to giving a composite picture of marriage as most contemporary couples, Catholic and non-Catholic, actually experience it.

It has been rather an allegorical week for drama on Radio 3. On Wednesday evening James Saunders came up with *Birdsong* in which a couple of caged birds of the male gender while away the time in flights of linguistic philosophy. Dinsdale Landon and Nigel Hawthorne caught the pedagogic manner to perfection. A she-bird (Beth Porter) interrupts their comfortable life-style behind bars, and posits the concept of freedom which she demands for herself, as a reality. They talk it over for a while, then slaughter her and carry on chopping logic over the cuttlefish as before. An amusing squib (or should one say, squab?) trillingly directed by Matthew Walters.

East End musical for the Half Moon

Following the success of *Pal Joey*, the new Half Moon in Alie Street, E1, will present *Dreamer*, a musical commissioned from East End writer Bill Colvill and composer Mel Robinson, from October 31-November 29.

It will be directed by Roger Smith, designed by Martin Sutherland, choreographed by Jo Jelly. The cast is Tommy Godfrey, James Marcus, Jamilla Massey, Gavin Muir, Ruth Sheen, Kim Taylforth and Lee Walker.

La Belle Helene

BY RONALD CRICHTON

No doubt the full flavour of the music and the satire in Offenbach's big, pre-1870 operettas can only be caught in a small theatre where the ghost of a wink and the hint of a raised eyebrow can be as devastating as the sudden plunge from mock-serious recitative into hilarious dance tempo. The pieces however are so strong that the temptation to present them on a larger, financially more rewarding scale will never be resisted. Offenbach didn't resist it himself. After the disasters of the Franco-Prussian War and the Commune a wider public than his old one wanted to share the still recent but already legendary glories. He was perfectly willing to help them.

When John Copley's production of *La Belle Hélène* for the English National Opera (revived at the Coliseum on Thursday) was new some were offended by the updating and the broad style of playing. Time or Mr. Copley (probably both) have toned things down. The Brain of Sparta contest and the Goose-Game are still the least likeable part of the show, as they are of the original libretto, but the fun on Thursday was under control. Individuals—the Agamemnon of Geoffrey Chard, the Menelaus of Edward Byles, *the now much funnier* sissy Ajaxes of Alan Woodrow and Roger Ashton-Griffiths, are more sharply drawn. As the venal Calchas Eric Shilling once again has the time of his life, but he makes the old wretch too English-affable.

Poised serenely above them all *is the Helen of Anne* Howells. She looks as delicious as ever in Bruno Santini's becoming costumes, she can phrase with hands and arms as expressively as she can with her voice. Her timing and inflections are impeccable. She can pout and mock and remain regal. The only thing lacking is a touch of real venom for the act 3 solo when Helen's exasperation with husband Menelaus finally boils over—the production on the whole, greatly improved though it is, is short on the sense of corruption beneath the luxurious surface (too much hindsight can be applied to this aspect but the volcano feeling is there).

There is an accomplished Paris from Geoffrey Pogson, who can project soft singing in a way some tenors find hard in this theatre and whose dialogue has a splendid edge. Much of the evening's quality came from Noel Davies's unobtrusively deft handling of an orchestra in notably good shape. The audience, not encouraged overmuch to guffaw, greeted the work with the serious enjoyment it merits. The fact that the male-voice trio in the last *act was for once not granted an* automatic encore was not at all a bad sign.

Anne Howells Leonard Burt

Roberto Szidon

BY MAX LOPPERT

The Brazilian pianist is perhaps best known in this country for the valuable records he has made of MacDowell, Liszt, Skryabin, and Villa-Lobos. Thursday's Elizabeth Hall recital certainly confirmed the impression formed thereby: Mr. Szidon is a player of remarkable physical authority, of strength, speed, agility, and stamina. In the Chopin B minor Sonata, with which he began, scales rose from the bass and double octaves swelled up and down the keyboard without the least hint of strain or banging; there always seemed power to spare. Throughout the concert, but above all in a Latin second half, in which repeated notes and chords were demanded by the truckload, one sensed an entirely natural and easy command of the instrument which is itself a reward to encounter.

The impression was by no means, always equally strong of a cogent, sensitive musical personality directing or moulding the brilliant technique. Though the Chopin sonata purled off effortlessly, one sensed a touch of the mechanical in many of the interpretative decisions in operation. In particular, the first movement was apt to slow dreamily down and then speed energetically up without convincing the listener that any specially alive poetic sensibility, any strong response to Chopin, had governed the phrasing, the rubato, the choice of tempo: the flow of the music was, on a higher level, haphazard. The start of Skyrabin's Fourth Sonata was wonderfully fleet and delicate of inflection; then, as the music gathered force, the same slight feeling of mindlessness began to be communicated.

It was to a large extent obliterated in the second half—perhaps Mr. Szidon is that rare bird, a virtuoso pianist out of sympathy with Romantic or post-Romantic composers? Two pieces written for Rubinstein in the 1920s, Falla's *Fantasia baetica* and Villa-Lobos' *Rudepoema* were thrown off with a prodigious cool control. If the former emerged in far sharper outline, that may be because of its comparative economy *of material*, and because Falla's adaptation of Spanish "folk" techniques to the compass of the keyboard did not lead him to hammer away at percussive effects to the point of satiety—atmospheric precision was always one of Falla's happiest gifts. In between, Mr. Szidon introduced to Britain a short piece—*Prologue, Discourse and Reflexion* (1980)—by his compatriot, Ronaldo Miranda (b.1948). Eclectic without distinction, and episodic without any particular point of focus, it served best as a further showcase for the pianist's special skills.

Lone Star . . .

BY MICHAEL COVENEY

This double bill at the Bush Theatre marks the début of another gifted young American playwright. James McLure is a discovery of the Actors Theatre of Louisville. *Lone Star and Private Wars* originated there last year before travelling to Broadway. Although strongly differentiated in terms of mood and style, both pieces are written for three characters and deal with a castration complex in a macho society. First, in *Lone Star*, we are out the back of a Texas bar where Roy, a Viet Nam veteran, pulls rank over his kid brother and celebrates his return to the life he knows. There are cans of Lone Star beer, popcorn and Baby Ruth chocolate bars to consume. The sky, in Grant Hick's design, is a sea of stars without stripes.

Roy, played with wonderful James Dean cool by David Hayman, is the idol not only of his brother, but also of the pathetic Cletis. Between them, these two have conspired to tear Roy's world apart. The brother has slept with Roy's wife: Cletis has wrapped Roy's 1959 pink Thunderbird around a local tree. This gives no account of the hilarious unravelling process in the dialogue, the sense of large issues being quietly discussed in an insignificant back yard. Finally, Roy consoles himself that things could be worse. He could be in Oklahoma.

After the interval, the stripes slip amongst the stars as the scene shifts to a veterans' hospital. The floor is red and white, three Venetian blinds surround a small area where one patient tinkers with a radio. In Simon Stokes's well cast production, the three inmates are wounded reflections of their three predecessors in *Lone Star*. This time, David Hayman's character, Silvio, is literally castrated. This does not prevent him from flashing at nurses along the corridor or, by way of grim compensation, discussing tight underwear and the advantages of kilts. Mr. McLure here displays mercurial lightness of touch as the pyjama-clad trio slip on and off stage skating over speech of thin ice. All three—and Mr. Hayman is brilliantly accompanied by Nicholas Farrell and Kevin Elyot—end up pummelling their chests and unleashing Tarzan calls. This is perhaps one way in which a post-Viet Nam all-American victim can express his masculinity.

The Falls of Clyde

BY ANDREW CLEMENTS

The premiere of a work for two pianos by Edward Cowie was first promised in a recital given by Anthony Lindsay and Simon Young at the Wigmore Hall in June. The performance postponed then took place on Thursday evening last at St. John's, Smith Square, or rather half of it did, for Lindsay and Young played only the first movement of *The Falls of Clyde*. For the remaining movement we must now wait until the spring.

In this case half a premiere was almost worse than no premiere at all, for the essence of the piece ties in its complementary pair of movements. The title refers to Turner's two paintings of the same name, one a topographical watercolour, the second, painted thirty years later, a reworking of the same subject as an abstract essay in *chiaroscuro*. Cowie transfers the process of reworking to a musical movement: *The Falls of Clyde 2* takes the substance of the first movement and recasts it, compressing and expanding, simplifying and elaborating.

For the moment then we must take the first movement on trust, regarding it as independent work, without the reinforcement and reassessment a performance of its twin would allow. First impressions were not very attractive, though how much of this was the result of a hesitant, muddy performance only subsequent hearings will reveal. Cowie builds the piece out of a series of blocks, characterised by type of gesture and gross outline rather than by thematic or harmonic content, and the frieze-like construction lacks cumulative effect and memorability.

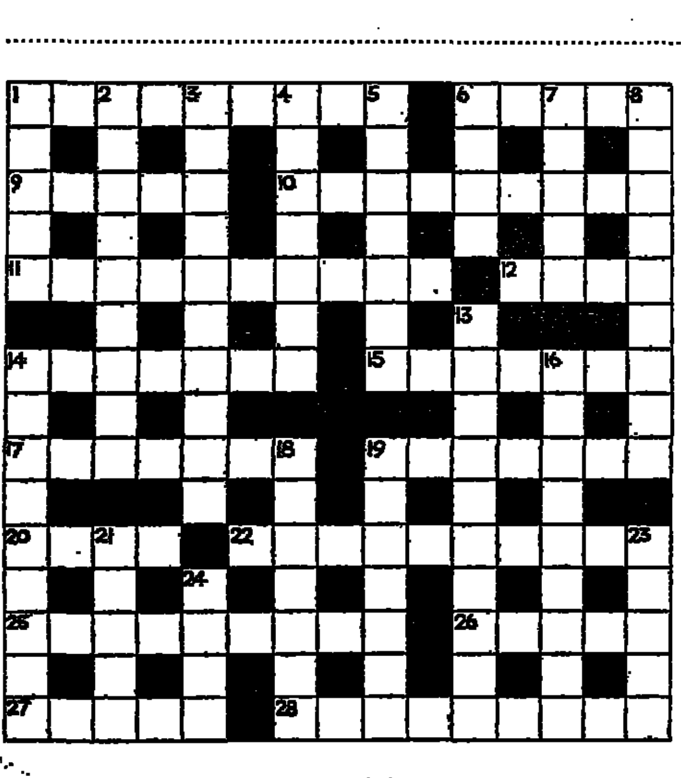
If the structure may be excused on functional, architectural grounds, then the apparent miscalculations in the piano writing cannot be so easily. Overpedalling (no pedal indications are given in the score) by Lindsay and Young blurred what are already thick, undifferentiated textures: to ask that fast quintuplets be played over semiquavers in the lowest registers of the pianos is to look for trouble. Occasionally simpler shapes emerged; some moments of an impressionistic lyricism promised more than they were allowed to achieve, a strongly accented grace-note figure looked more positive on the page than it did when played. It may be that the second movement will lend the work a firmer identity.

F.T. CROSSWORD PUZZLE No. 4,391

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



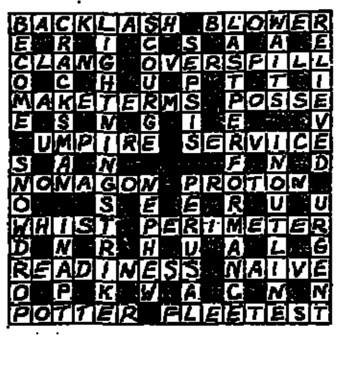
ACROSS

1 More than enough to make a rabbit jump (9)
6 Fruit on front of barrow? Precisely! (5)
9 A branch to strike you and me (5)
10 Deceive with fish in dripping (9)
11 Repeat mechanically before schoolmaster "Glory-pea" (6-4)
12 Handled non-woven fabric (4)
14 Diplomat in pain after a race (7)
15 Careful examination of salt from South American country (7)
17 Consisting of a covenant to make lad free (7)
19 The most direct route for a busy person to cover inside (7)
20 Company accountant in narcotic producing plant (4)
22 Less than 60 minutes after midnight (5-5)
25 Engrave the French way—putting fat between lean (9)
26 Employment making us get older (5)
27 Specialised skill we hear? Not at all! (5)
28 Like a covering that makes *sheep mad* (9)

DOWN

1 A pleasure excursion when the anchor is raised (5)
2 Not just overpaid (9)
3 Frustrate Sid getting up a musical performance (10)
4 Small number on board could be distinguished (7)
5 Large-scale war-time measures to produce peel (7)
6 Spear fish (4)
7 Join a group of soldiers before start of exercises (5)
8 Get a label designed for a trifle (9)
13 Vigorous call at bingo wherein there should be lots of life (10)
14 Love a disease (9)
16 Alcoholic liquor for exciting action (9)
18 Thrash young animal on a street (7)
19 Person of obstinate courage with papal edict to follow (7)
21 Trap feline on church (5)
23 Be bombastic—it's dandy (5)
24 Tie to take at random from a number (4)

Solution to Puzzle No. 4,390



TV/Radio

BBC 1

† Indicates programme in black and white

9.05 am Battle of the Planets.
9.30 Multi-Coloured Swap Shop.
12.27 pm Weather.
12.30 Grandstand: Football Focus (12.35); 1980 Trampolining World Championships from Brig, Switzerland (1.5); *Racing from Chepstow* (1.20, 1.50, 2.20, 2.50); World Sports Acrobatics Championships from Poznan, Poland (1.40); Crown Green Bowls from Waterloo Hotel, Blackpool (2.10, 3.10, 4.15); Prix de l'Arc de Triomphe Preview, report from Paris (2.40); Rugby League: The Lancashire Cup Final: Warrington v Wigan (3.35); 4.40 Final Score.
5.10 The Dukes of Hazzard.
6.00 News.
6.10 Sport/Regional News.
6.15 Doctor Who.
6.40 Larry Grayson's Generation Game.
7.35 Juliet Bravo.
8.25 The Paul Daniels Magic Show.
9.05 News and Sport.
9.20 The Saturday Film: "Play Dirty," starring Michael Caine.
11.15 Parkinson.

All Regions programmes as BBC1 except as follows:

BBC Cymru/Wales—8.50-9.30 am Crackerjack. 6.10-6.15 pm Sports News Wales. 12.15 am News and Weather for Wales.

Scotland—4.55-5.10 pm Scoreboard. 6.10-6.15 Scoreboard. 12.15 am News and Weather for Scotland.

Northern Ireland—3.10-3.50 pm Rugby Union: Ulster v Yorkshire. 5.00-5.10 Scoreboard. 6.10-6.15 Northern Ireland News; Sport. 12.15 am News and Weather for Northern Ireland.

England—6.10-6.15 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am-1.30 pm Open University.
2.55 The Sky at Night.
†3.15 Saturday Cinema: (1) "Rock Around the Clock," starring Bill Haley and his Comets.
4.30 Adventure Game.
†5.10 Saturday Cinema: (2) "Jailhouse Rock," starring Elvis Presley.
6.45 Making "The Shining."
7.20 News and Sport.
7.35 Rugby Special.
8.25 "We, The Accused."
9.20 Long Distance Information by Neville Smith.
10.20 Macleod's America.
10.40 Jack High.
11.10 News On 2.
11.15 "Heroes Of Rock 'N' Roll."

BBC2 Northern Ireland only—2.30-2.55 pm Tomorrow's World.

LONDON

8.35 am Sesame Street. 9.35 BJ and the Bear. 10.30 Tiswas. 12.30 pm World Of Sport: 12.35 On The Ball; 1.00 International Sports Special (part 1) Australian Rules Football: 1980 Grand Final between Collingwood and Richmond from Melbourne Cricket Ground; 1.15 News: 1.20 The ITV Six—1.30, 2.00 and 2.35 from Haydock; 1.45, 2.20 and 3.00 from Newmarket; 3.10 International Sports Special (part 2) Golf: Dunlop Masters Tournament; 3.50 Half-time Soccer Round-up; 4.00 International Sports Special (part 2, continued); 4.50 Results Service.
5.05 News.
5.15 Metal Mickey.
5.45 Buck Rogers in the 25th Century.
6.45 Up For The Cup.
7.30 "Panic at Lakewood Manor," starring Myrna Loy (TV Movie).
9.15 Hammer House of Horror.
10.15 News.
10.30 The Big Match.
11.45 Pro-celebrity Snooker.
12.30 am Close, with Tony Bastable.

Solution and Winners of Puzzle No. 4,385

Miss P. Buckley, 30 Ave Krieg, 1208 Geneva, Switzerland.
Mr. L. F. Crookes, 135 Poynings Avenue, Southend-on-Sea, Essex.
Mr. J. Hornsby, 26 Cuckoo Hill Drive, Pinner, Middx.

All IBA Regions as London except at the following times:

ANGLIA

9.25 am The Beachcombers. 9.50 Rocket Robin Hood. 10.10 Fangface. 10.30 pm Match of the Week, including 45 minutes of action from a key regional game and two other major national fixtures. 11.30 Paris. 12.30 am The Late Debate—Richard Scrase and Michael Hastings on the meaning of being saved.

ATV

9.10 am Play Squash Jonah's Way. 9.35 Save It. 10.00 The Adventures of Black Beauty. 10.30 pm Star Soccer (highlights of three top matches). 11.45 The Late Movie: "The Statue" starring David Niven, Robert Vaughan, John Cleese and Virna Lisi.

BORDER

9.10 am Play Squash Jonah's Way. 9.30 Save It. 10.00 Call It Macaroni. 10.30 pm Shoot! 11.40 WKRP in Cincinnati.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 11.45 Portrait of the Artist. 12.00 Next Step Beyond.

GRAMPIAN

9.30 am Spiderman. 10.00 The Adventures of Black Beauty. 10.30 pm Scotsport (highlights of two top matches from both sides of the border). 11.30 Paris. 12.25 Reflections. 12.30 am Seachd Laithean.

GRANADA

9.30 am A Big Country. 10.00 Cartoon. 10.05 Batman. 10.30 pm Match Night. †11.45 The Hollywood Thriller: James Cagney in "Kiss Tomorrow Goodbye."

HTV

9.10 am Save It. 9.35 Beachcombers. 10.00 The Undersea Adventures of Captain Nemo. 10.05 Batman. 5.13 pm HTV News. 11.45 Paris.

HTV Cymru/Wales—As HTV West except: 5.15-5.45 pm Res Sgwar.

SCOTTISH

9.15 am Cuir Car. 9.40 Charlie's Angels. 10.30 pm Scotsport. 11.30 Late Call. 11.55 Quincy.

SOUTHERN

9.00 am Sesame Street. 10.00 The Adventures of Black Beauty. 10.27 Regional Weather Forecast. 11.45 pm Southern News. 11.50 Pro-celebrity Snooker.

TYNE TEES

9.00 am Saturday Shake-up. 9.05 Roman Holiday. 9.30 Saturday Shake-up. 9.40 Saturday Morning Movie—"Contraband Spain," starring Richard Greene and Anouk Aimee. 11.00 Saturday Shake-up. 11.20 240 Robert. 12.20 pm Saturday Shake-up. 5.13 North East News. 10.30 Shoot! 11.40 Streets of San Francisco. 12.40 Three's Company.

ULSTER

9.35 am A Big Country. 10.00 Bailey's Bird. 10.25 The Bubblies. 10.30 Tarzan. 11.20 Cartoon Time. 11.30 Sesame Street. 5.00 pm Sports Results. 5.13 Ulster News. 10.29 Ulster Weather. 11.45 The Odd Couple. 12.10 am Bedtime.

WESTWARD

†9.30 am Laurel and Hardy in "Smithy." 9.55 Look and See. 10.00 Spiderman. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Scoreline. 11.45 The West Tonight. 12.00 Next Step Beyond. 12.25 am Faith For Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am One Step Ahead. 9.25 Spiderman. 9.40 BJ and the Bear. 10.30 The Big Game. 11.45 The Palace Presents, hosted by Jack Jones, with Cleo Laine and Ginger Rogers.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00-7.30 Rock on Saturday (S).

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.05 David Jacobs with Star Sounds on record (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm The News Headlines. 1.30 Sport on 2: Football League Special (1.30, 2.00, 2.45, 3.10, 3.20, 3.45, 3.55, 4.42, 5.00, 5.50); Golf (1.30, 2.10, 3.15, 3.40, 4.50, 5.30); Dunlop Masters Racing from Newmarket (1.30, 1.40, 2.15, 2.55, 3.30); 5.00 Sports Report including 5.00 Classified Soccer Results, 5.25 Rugby round-up, 5.45 Racing results, 5.50 Latecomers' Soccer cock. 6.03 Europa '80. 7.02 Beat The Record. 7.30 Big Band Special (S). 8.02 Saturday Night is Gala Night (S), including 8.50-9.10 Maria Theresia in Fact and Fiction (interval talk). 10.02 National Brass Band Championsips of Great Britain. 10.30 Monaco Radio Contest 1980 (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-5.00 am You and The Night and The Music (S).

RADIO 3

†7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release of music by Webern, Roussel (S). 11.15 Bandstand (S). 11.45 I Know What I Like, Peter Nichols with records (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Organ Works of J. S. Bach (S). 7.20 Los Romeros, music for four guitars (S). 7.45 Haydn and Mozart, concert, part 1: Haydn (S). 8.10 Sequences. 8.30 Concert, part 2: Mozart (S). 9.45 Stravinsky: An assessment by Anthony Burgess. 10.15 A Schumann Piano Trio (S). 10.50 Round Tower Tales by Colin McLaren. 11.00 News. 11.05-11.15 Gustav Leonhardt, harpsichord music by Bach (S).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. ... Money Box. 12.27 The Burkiss Way (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions. 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 "Goodbye Mr. Chips" by James Hilton; dramatised by Margaret Simpson; Part 1. 3.25 Join Radio 3. 5.00 Getting Together. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs. 6.55 Stop The Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.0 News. 10.15 Foreign Correspondent. 11.25 Lovers Come Back—the lives and music of Anne Ziegler an Webster Booth. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic; sport. 8.15 Weekend What's On. 8.30 Bob Powell's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-8.45 am The Ten Out of Ten Show: special programme to mark Radio London's 10th Birthday.

London Broadcasting

7.00 am AM—Des Fahy. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 Network: "With Clough By Taylor" from Radio Trent. 9.00 The London Interview—Sue Jameson talks to Trevor Nunn, artistic director of the RSC. 10.00 Jenny Lacey—Nightline. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

Capital Radio

6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Graham Dene (S). 12.00 "Cash Country" with Dave Cash (S). 2.00 pm Duncan Johnson's Afternoon Delight (S). 5.00 Greg Edwards's Soul Spectrum (S). 8.00 Nicky Horne's Six of the Best (S). 11.00 "Roots Rockers" with David Rodigan (S). 1.00 am After Midnight with Richard Allinson (S). 4.00 The Collection (Classical Music) (S).

TV RATINGS w/e Sept. 28

UK TOP TWENTY

		(viewers m)
1	Larry Grayson's Generation Game (BBC)	17.35
2	The Morecambe and Wise Show (Thames)	17.10
3	The Professionals (LWT)	16.95
4	Coronation St. (Wed.) (Gran.)	16.60
5	Keep It In The Family (Thames)	16.20
6	Cowboys (Thames)	15.95
7	Coronation St. (Mon.) (Gran.)	15.50
8	Just Liz (Thames)	15.15
9	Give Us A Clue (Thames)	14.05
10	Blankety Blank (BBC)	13.95
11	Crossroads (Wed.) (ATV)	13.90
12	Tarry and June (BBC)	13.70
13	The Paul Daniels Magic Show (BBC)	13.60
14	Crossroads (Tue.) (ATV)	13.55
15	Juliet Bravo (BBC)	13.45
16	Hart Of The Yard (ITV)	12.85
17	Nobody's Perfect (LWT)	12.30
18	Top Of The Pops (BBC)	12.20
19	Play Your Cards Right (LWT)	12.15
20	The Gentle Touch (LWT)	11.60

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN

1	60 Minutes (news) (CBS)	25.1
2	ABC Sunday Night Movie—Marilyn—The untold story (ABC)	23.4
3	Dukes of Hazzard (comedy) (CBS)	22.4
4	Dallas (drama) (CBS)	21.9
5	Little House on the Prairie (NBC)	21.9
6	NBC Movie of the Week—Acts of Love (NBC)	21.7
7	Love Boat (comedy) (ABC)	21.0
8	Real People (series) (NBC)	20.8
9	NBC Monday Night Movie—Centennial Part III (NBC)	20.5
10	Three's Company (comedy) (ABC)	20.3

CHESS SOLUTIONS

Solution to Position No. 340

1 R-N6, Resigns. The winning threat is 2 Q-N8 ch, RxQ; 3 N-R7 mate.

Solution to Problem No. 340

1 R-QN1, P-N3 (if KxR; 2 K-Q1, P-N3; 3 B-R7); 2 R(5)-R1, PxR=Q; 3 B-R7 mate.

CONTINUED ON NEXT PAGE

Financial Times Saturday October 4 1980

COLLECTING

Relics of La Divine

BY JANET MARSH

ONE OF THE fascinating imponderables of history is how the great players of the past would fare if they could be brought back today. Would Garrick or Kean or Irving or Rachel or Duse still command an audience in 1980? Would Bernhardt—whose 60-year reign as Queen of the Stage was as undisputed as Victoria's equal tenure as Queen Empress—still be La Divine?

Even in the 1880s her style struck Shaw as "hackneyed and old-fashioned"; and a no less exacting American critic, Henry James, dismissed her as "an advertising genius . . . too American not to succeed in America" (which, spectacularly, she did).

Yet Bernhardt, you feel, was a personality who would have triumphed in any period and any walk of life (after all, she tried painting, sculpture, music and writing as well as acting).

To many, particularly in her stormy early days, Bernhardt's will must have seemed like wilfulness. Few people were able to override it, from the time she was 15 and, auditioning for the Conservatoire, declined to read the customary passage from the classical drama, insisting instead on reciting a fable from La Fontaine.

Her will did not always win. When a manager insisted she go on in Zaire despite acute sickness, she determined to pay him out by actually expiring in her death scene. To her surprise she found that far from breathing her last, she had roused the audience to wild enthusiasm. She took her bows and walked off, quite recovered.

The iron will however encouraged her to walk out on theatres when she felt she was not getting proper parts or recognition or rewards; inspired her to run a hospital in the Franco-Prussian war; to make much-publicised balloon ascents in defiance of nervy managements; to run her own company for more than 40 years; to undertake killing tours across the world; and night after night to thrill her audiences with her mime and the silver voice.

On stage she was endlessly resourceful. After the stabbing in *La Tosca* she would snatch down a crucifix from the wall and lay it on her victim's breast. One night the prop had been too well fixed: all her tugging could not remove it. Turning back to her victim she snarled: "Eh, pourtant! Il ne la mérite pas!"

The will carried her indomitably on into the twentieth century. No one ever ridiculed Sarah for playing *La Tosca* or her "three Hamlets"—Shakespeare's *Hamlet*, De Musset's *Lorenzaccio* and Rostand's *L'Aiglon*—when she was well past 70. Not even the amputation of her right leg when she was 71 stopped her stage career. As she was carried into the operating theatre she cried cheerily to her grand-daughters, "A toute à l'Heure, mes enfants, à toute à l'heure;" and seemed to derive a positive exultation at the thought that her loss was shared with the millions of war wounded.

She was fiercely patriotic, and for almost 40 years after the Franco-Prussian war refused to appear in Berlin. In London in the First World War she performed a stirring one-act play, *Du Theatre eau Champ d'Honneur* in which, an old crippled lady, she persuaded audiences that she was a French youth dying in defence of the flag on the field of battle.

Sarah was star, individualist, eccentric; and yet she effected her own revolutions. Her intelligence and independence—in the 1860s she flaunted her unmarried motherhood and in the 1870s wore trouser suits that would be chic today—and her vague but enthusiastic Socialism undoubtedly heartened many women in what, without the Sarahs, would have been strictly a man's world.

In theatrical method she was not afraid of innovation, and was one of the first to use coloured lighting. (Since this involved stretching red gauze across the gas footlights, it brought her into conflict with the LCC.) Unlike many manager-stars, she insisted that every part in her productions must be well played. Years before Diaghilev—though somewhat anticipated in this country by Charles Kean—she employed painters. rather than costumiers to design her films.

Detail from a pastel portrait of Sarah Bernhardt by Julien.

Important evidence of this aspect of her work goes very briefly on show when Sotheby's sell the Bernhardt Collection formed by Ruben Torres, on October 23. Mr. Torres—a dress designer of New York and Mexico City, best known for creating Lacoste sportswear—has over the year's assembled an important collection of original designs for Bernhardt productions, including a remarkable group of 33 by Alphonse Mucha.

The Mucha designs include several for the short-lived *Amphitryon* and *Medee*; but above all for Sarah's great triumph in *Lorenzaccio*, her "Florentine Hamlet." (Sarah chose to abandon the final scene of Musset's play, as she preferred not to be murdered.)

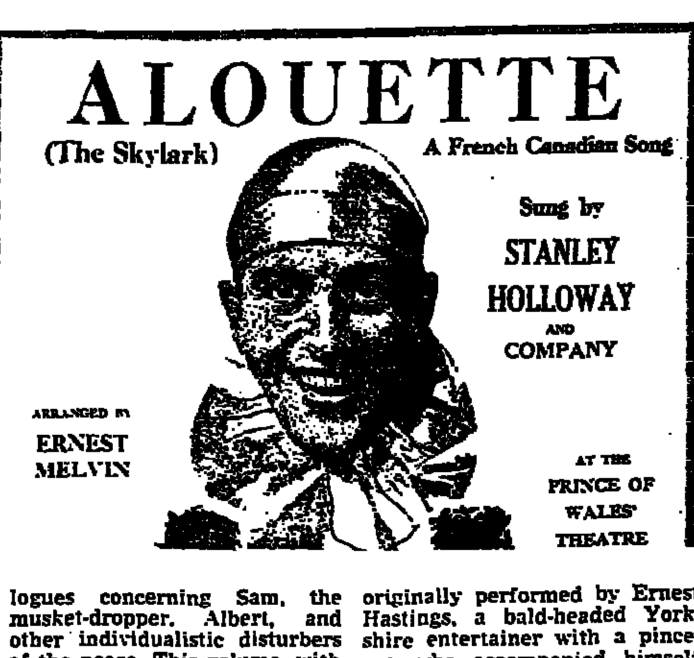
Another favourite Bernhardt designer was an M. Thomas, who is represented in the Torres sale by designs for a torrid Indian melodrama *Izeyl*, and for Sardou's *Feodora* and *Gismonda*. An elaborate album for this play (Lot 20) includes samples of the rich fabrics used for the costumes and demonstrates the care taken to produce the pictorial effects of the whole stage picture.

Among designs by Marcel Multzer is a group of 34 for an extravagant pantomime of 1907, *La Belle au Bois dormante*. Mutlzer also designed *La Reine Elizabeth* (1912) which was a disaster on stage but more than recouped its cost when Sarah filmed it—thrilling audiences used to sketchier screen productions, with its opulence. In America the film was distributed by a Hungarian emigre, Adolphe Zukor, and the huge sums it made established the fortunes of his company, Paramount Pictures. Sarah's influence was, indeed, far-reaching.

Holloway at ninety

BY ANTHONY CURTIS

STANLEY HOLLOWAY was 90 on Wednesday. What a fantastic innings he has had. Long before I was born Stanley was making his name with that ultimate concert party, *The Co-optimists* billed as "a Pierrotic entertainment."



They arrived to great acclaim in London in 1921 at the Royalty Theatre where Stanley beat the big drum in a sketch called "The Bandsman's Daughter" with Betty Chester, Davy Burnaby, Laddie Cliff and Gilbert Childs. Stanley worked with them until 1927 by which time he was already a well-known performer.

Many of their songs were written by "Rex" Newman, including one in which Stanley had a great personal success, "The King Who Wanted Jam For Tea." You can read the words of this in a new paperback just published to celebrate the great trouper's 90th birthday. *Stanley Holloway: More Monologues and Songs* (Elm Tree Books/EMI Music Publishing £2.25, 77 pages) edited by Michael Marshall.

Mr. Marshall—a Tory MP whose sideline is nostalgia—did the research for the recent Radio 2 biography of Stanley narrated by Arthur Askey, and he edited a previous book last year which brought together all of Stanley's celebrated monologues concerning Sam, the musket-dropper, Albert, and other individualistic disturbers of the peace. This volume, with an LP of Stanley *There's Life in the Old Dog Yet*, proved so popular that Mr. Marshall was prompted to cast his net as wide as possible and produce a more catholic selection of texts used by Stanley.

The haul contains some curious fish. It takes in everything from musical comedy to nonsense poetry, and it stretches chronologically from the macabre Victorian ballad "My Lord Tomnoddy" (where the joke turns on a public hanging) to wartime Britain with such numbers as *Careless Talk* by Graham John. Stanley performed this comic propaganda exercise with Leslie Henson, underneath a Fougasse poster of Hitler disguised as a judge.

The words were spoken by a couple of swells who were clearly modelled on the Western Brothers, but contained jokes like: "A soldier stumbled in a train. I said, 'Pick up tha' musket, Sam.'/And Berlin ran with joyful sounds, 'Ze British heff laid down their arms'."

It is interesting to discover how much of Stanley's early work was taken over from other performers who worked the halls before World War I. Here are pieces like "The 'ole in the Road," a typical Cockney monologue written in 1910 by Charles J. Winter for the actor Bransby Williams, whom Stanley had observed when he was a boy.

Here, too, are numbers originally performed by Ernest Hastings, a bald-headed Yorkshire entertainer with a pince-nez who accompanied himself at the piano, and from whom Stanley clearly learned a great deal. Two of Hastings' humourous songs, "And Yet I Don't Know!" (about a parent overcome by creeping stinginess when buying a wedding present), and "My word you do look queer!", were both incorporated into the early Holloway repertory and lost nothing of their grim North country realism in the process.

Stanley was not always cast in character parts. After the Co-optimists he extended his career to musical comedy and starred with Ivy Tresmand in *Hit The Deck* as the sailor-boy hero singing such romantic numbers as "Fancy Me Just Meeting You" and "Sometimes I'm Happy" by the composer of *No, No, Nanette*. These are happily preserved on the World Record Club LP (SH 176).

Mr. Marshall prints the two Dolittle songs from *My Fair Lady* and also some of the nonsense verse of Edward Lear and ballads of W. S. Gilbert which Stanley has been recording since 1960. I am slightly surprised he did not go the whole hog and include the grave-digger's scene from *Hamlet* just for the sake of completeness.

This cheerfully nostalgic paperback is surely overpriced for only 77 pages, but wiv' a little bit of luck you won't need to buy but will be able to borrow it from your local library.

CHESS

LEONARD BARDEN

Manchester's Benedictine tournament, the most important British international outside London and the South-East, registered a fresh advance this year in both strength and status. Competitors included two grandmasters, 17 international masters, and came from 21 nations.

The two GMs, John Nunn and Gyula Sax, justified their reputations by sharing first prize; Nunn was awarded the trophy on a narrow tie-break margin. Leading scores were Nunn (England) and Sax (Hungary) 7 out of 9; Lederman (Israel) 6½; Andreasson (Sweden), Davies (England), Fuller (Australia), Morris (U.S.) and Zilber (Israel) 6.

Nunn thus confirmed his joint first place in the British Championship in August with another excellent result. He began 1980 by winning at Hastings and beating Polugaevsky of the USSR in the European team championship; while his all-round advance was checked only at the Phillips and Drew Kings.

Like Lloyds Bank a few weeks previously, the Benedictine featured some promising performances by younger English players of whom Martin, aged 23, and Davies, 20, achieved international title results. The summer circuit, starting with the Robert Silk and National Bank of Dubai events and continuing with the Grieveson Grant British Championship, has done wonders this year in bringing on fresh talent. But apart from the Hastings Challengers, whose development compared with the Premier has been neglected, and a small event at Ramsgate, our young players now have to wait till next summer for similar opportunities to meet first-class overseas opposition here. The great need is for a tournament at Easter to fill the gap.

One of Sax's wins at Manchester illustrated the practical value of clear-cut opening systems aimed at direct attack. His formation was one of Bobby Fischer's favourites, and White's overall plan—pawn wedge at K5, support it with pieces, advance the KRP and manoeuvre the QN to the king's side attack — is easy to remember, and apply, less simple to defend.

White: G. Sax (Hungary). Black: V. Ravikumar (India). Opening: King's Indian Attack (Manchester Benedictine 1980).

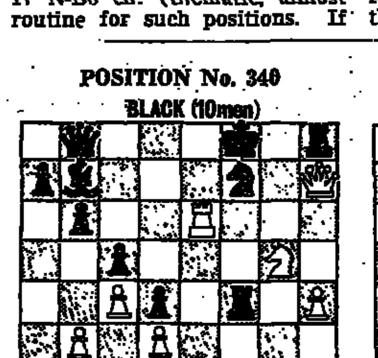
1 P-K4, P-K3; 2 P-Q3, P-Q4; 3 N-Q2, N-KB3; 4 KN-B3, B-K2; 5 P-KN3, P-B4; 6 B-N2, N-B3; 7 0-0, P-QN3 (more flexible is 0-0 with an early P-QN4); 8 R-K1, B-N2; 9 P-QR3 (a finesse to discourage Black from ideas of long castling), 0-0; 10 P-K5, N-Q2; 11 N-B1, Q-B2? (P-QN4 is still preferable, leaving the Q on Q1 to help defend the K-side dark squares); 12 B-B4, KR-K1; 13 P-KR4, N-B1; 14 P-R5, P-QN4 (now White's attack on the other side is too far advanced for this counter to be effective); 15 N-K3, P-R4; 16 N-N4, QR-B1; 17 N-B6 ch! (thematic, almost routine for such positions. If Black declines by K-R1 then 18 N-N5!) PxN; 18 PxP, B-Q3; 19 BxB, QxB; 20 Q-Q2, N-N3; 21 PxN, BPxP; 22 Q-R6, Q-B1; 23 Q-B4, P-R3; 24 B-R3, N-Q1; 25 N-K5.

Though material is level and Black is not immediately mated, the game is strategically won and lost. The mighty passed KBP, the commanding knight outpost, the chances to attack Black's weakened king defences, and the absence of counterplay make the rest easy for White.

25 . . . P-N4; 26 Q-B3, R-B2; 27 Q-R5, P-Q5; 28 P-KB4, PxP; 29 PxP, K-R2; 30 Q-N6 ch, K-R1; 31 K-R2, N-B2; 32 R-KN1, P-B5; 33 QN7 ch, QxQ; 34 RxQ, NxN (otherwise N-N6 mates); 35 RxR, N-B6 ch; 36 K-N3, B-Q4; 37 P-B7, R-KB1; 38 B-N4, Resigns. A model game to follow for club players who like the King's Indian Attack.

POSITION No. 340

BLACK (10men)

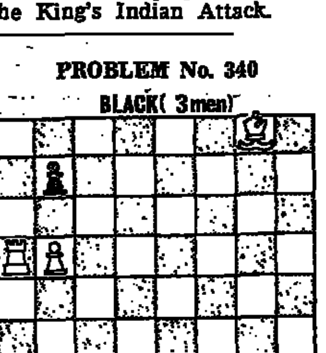


WHITE (12men)

Hartoch v. Berg, Lloyds Bank 1980. White (to move) is two pawns up, but Black's frail position still seems to hang together and he plans counterplay down the KR file. How should White continue?

PROBLEM No. 340

BLACK(3men)



WHITE(6men)

White mates in three moves, against any defence (by H. Jansen).

Solution Page 14

BRIDGE

E. P. C. COTTER

In his new book, "Bridge—The Elements of Play" published by Robert Hale at £4.95, G. C. H. Fox has, as the title implies, catered mainly for the beginner and average player. He knows the mistakes such players are prone to make, and shows by instructive examples how to avoid them.

Let us start with this no trump game:

N
♠ Q 6
♡ 8 5 3
◇ Q J 7 6 3
♣ Q 5 2

W
♠ 8 5 2
♡ K 9 4
◇ 10 5
♣ A J 7 6 3

E
♠ K J 10 4
♡ J 10 7
◇ 9 8 4 2
♣ 8 4

S
♠ A 9 7 3
♡ A Q 6 2
◇ A K
♣ K 10 9

With both sides vulnerable South deals and bids two no trumps, and North's raise to three no trumps concludes the auction.

West leads the club six, dummy plays the two and East the eight. "This," says Foxy, "appears a lucky lead for you, and if you have not taken a good look at dummy, it is likely that you have taken the trick with the nine." The fact that South has no low diamond creates entry problems. How is he to enter dummy? If he cashes the two top diamonds and continues with the club King, West will withhold his Ace to prevent the Queen from giving South access to the table. A spade to the Queen will not work, because East holds the King.

The declarer must unblock by winning the lead with his King. If West has led his fourth best, the Rule of Eleven shows that East's eight was his highest club. There is, therefore, no risk involved in winning with the King. After cashing Ace, King of diamonds, South leads a club and forces his way into dummy. The tendency to win tricks on the cheap leads many a player to his doom—*unblocking* may be necessary in order to create an entry.

To take an unnecessary finesse is a frequent cause of disaster—and this particular misplay is not confined to average players. Even those who should know better show the cloven hoof here.

Let us study this deal where the fatal error is made on the opening lead:

N
♠ A J 10 9
♡ 9 7 4
◇ J 8 3
♣ Q 9 3

W
♠ 8 7 6 5 4
♡ K 6 2
◇ 6 2
♣ 7 5 4

E
♠ K 2
♡ Q 10 8 3
◇ A 7 4
♣ 10 8 6 2

S
♠ Q 3
♡ A J 5
◇ K Q 10 9 5
♣ A K J

South was the dealer with both sides vulnerable, and he opened the bidding with two no trumps, which North raised confidently to three.

West led the five of spades, preferring the fourth best lead to the top of his sequence. This was a good choice, because it lured South into finessing dummy's nine. East won with his King, and seeing no future in the spade suit switched to the ten of hearts, which was absolutely correct. A low heart allows South to play low and get out of trouble. As it was, the declarer could not avoid the loss of three heart tricks in addition to a spade and a diamond.

If the declarer had taken the trouble to count his top tricks—two major suit Aces and three clubs—he would have seen that four easily establishable diamond tricks would have been enough for his contract. If he takes the opening lead with dummy's Ace of spades, and plays on diamonds, nothing can prevent him from collecting nine tricks.

In an average game the declarer would get away with his mistake, because an average East would not find the return of the heart ten, and so no one learns anything.

Shared luxury

BOATING

ROY HODSON

ONE GROUP of people who always were prepared to pay dearly for their pleasure were those who chartered luxury yachts. Now they are showing signs of resistance.

It will cost you between £350 and £2,000 a day to have sole use of one of those pampered ocean-going vessels gleaming with fresh white paint and countless layers of varnish that lie stern-to the old harbour quay called Millionaires' Row opposite the Hotel Splendid at Cannes.

Having settled the charter fee somewhere between those parameters depending upon the size and speediness — and therefore the "status" — of the vessel it will be necessary to find a further £15-£30 to pay for the fuel for every hour at sea, together with a disbursement for food and drink for your family and guests.

All in all luxury cruising is tending to price itself out of the market. Charters have been scarcer this season for the owner-skippers who run their yachts as a business; and for the owners who like to think that their yachts and crews can earn money by accepting occasional bookings.

In the rarefied atmosphere of that sort of yachting it has been usual for charters to be fixed in a gentlemanly fashion through the services of a broker so that neither yacht owner nor client might have to soil their hands with the sordid details of commerce. While being a sound business system, doubtless, it has not helped to keep costs down.

Some of the more go-ahead spirits in the yachting world have been searching anxiously for a new way of providing for the needs of the cruising-inclined rich without actually squeezing them until the pips squeak.

The answer they have come up with is "time ownership." After some early failures time ownership has become established in the market for holiday properties. A buyer purchases the sole right to occupy an apartment or villa for the same stated period each year. Management and maintenance are shared between the owners of the several slots sold for each property.

How to apply the concept of time ownership successfully to large yachts with all the attendant problems of marine registration, national flags, responsibility in foreign waters etc. has tested the ingenuity of batteries of lawyers, accountants, and yacht operators. But now it looks as though a workable system has been devised. Time ownership is being made available for yachts based upon the English Channel, the Mediterranean, and the Caribbean.

A pioneer scheme has been launched for Mullion 11—a 73-foot, 6-berth motor yacht berthed at Cannes. The complexities of marrying a fair deal for the time owners with protection of the rights of the company managing the £145,000 vessel, and the rights of the English compnay which will ultimately own the vessel, have been worked out by Mr. Gordon Blair, an English solicitor practising in Monte Carlo.

Nine fortnightly time slots for the exclusive use of Mullion 11 are being offered. The high season August slots will cost £20,000 each. The cheapest slot in May will cost £9,000. In addition each time owner will have to contribute a ninth share of the upkeep of the yacht and the wages for the crew of four. The scheme will run for ten years and the ex-U.S. Navy officer, Captain Peter Jenkins who has owned and skippered the yacht for seven years will continue as the captain for the consortium.

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Captain Jenkins estimates that the additional charters he can obtainouts ide the 18 weeks period of the time ownerships can generate almost enough money to offset the annual maintenance charges. However, if no additional charters are obtained the charge upon each time sharer for annual upkeep could be as much as £3,800 at current prices.

A participant in this novel chartering system for a luxury yacht can expect to buy ten years chartering at 42 per cent below the usual charter costs for such a vessel. He can, of course, sell his time if he does not wish to use it himself.

The yacht will be owned durin gthe ten years by Springleader Finance of Manchester which will enjoy the capital advantages available. A new company called Mullion 11 registered in Guernsey will act for the time owners under an agreement with Springleader. The yacht will actually be managed by Mediterranean Yacht Services, another Guernsey-registered company based at Antibes.

The basic idea of that tortuous financial structure is that there should be something for everybody involved—tax advantages or cheaper yachting.

The greatest element of uncertainty will appear at the end of the ten years when the yacht is to be sold. The time owners could then lose a portion of their original investment or they could enjoy a handsome windfall. It will all depend upon the market for luxury yachts in 1990. Estimating that can only be a guessing game.

FINANCIAL TIMES
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Saturday October 4 1980

A season of infighting

IT MIGHT be thought that in a world beset with threatening problems, the main drama would be concerned with attempts to solve them; but this summer, it has been different. Whether one looks to the Middle East and the intransigence of Mr. Begin, or to the financial world and the problems of OPEC surpluses and the corresponding deficits, or to our domestic problems, there has been infighting, sometimes of a rather unedifying kind, rather than any attack on the problems themselves.

Results

The crudity of much of the argument—whether the blatant Iraqi attempt to win Arab leadership by military force, or the almost equally crude verbal exchanges in the U.S. elections and at Blackpool—is interesting in itself. It is probably what psychologists would recognise as a normal reaction of frustration at the intractable nature of the central problems. Nobody knows what to do about Israel or OPEC or stagflation, and the Labour Party certainly does not know what to offer as an alternative to Mrs. Thatcher's policies. The junior manager humiliated by his boss goes home and quarrels with the children or kicks the cat. Statesmen and officials attack each other.

Nothing very helpful results from most of these exchanges; the bogged down war in the Middle East is like a military illustration of the state of the Labour Party—or even, with a little stretching, of the relations between developing and developed countries after a largely nugatory annual meeting of the International Monetary Fund. However, there is one less publicised piece of in-fighting which may well produce important results.

Ever since the July money supply figures were published, there has been loud argument how much it matters. The about what went wrong and public arguments between the adherents of rival monetary schools has been mirrored by some fairly heated arguments inside the official machine. Part has been concerned with who was to blame, a sterile question; but there has also been some significant forward movement.

First, it now seems clear that the complacency about existing methods expressed in the Treasury-Bank of England Green Paper on monetary control has evaporated; and in this more fluid atmosphere, the Prime Minister has been taking a very direct interest in the next steps. She has called for full technical briefings, and invited some of the international experts who came for the supposedly final stages of the Green Paper debate to a meeting at Downing Street and she has now appointed Professor Alan Walters, a deeply convinced monetarist, as her personal economic adviser.

What will result technically from the present policy review is hard to forecast at this stage. It seems unlikely that the Government will change the definition of the nature of the central monetary target, Sterling M3, though the difficulties of controlling this measure in the short run are now better understood.

It also seems unlikely that the Government will want to stage a sudden revolution in the technique of monetary control — for example, by moving to a full-blooded control of the monetary base of the banking system. This would radically alter the future role of the discount market, would probably severely limit the availability of overdraft facilities, and would make it very hard to interpret any of the monetary figures while our banking institutions were in a state of flux. Professor Walters was one of the earliest authorities to proclaim the danger of similar uncertainties after the introduction of Competition and Credit Control in 1971.

Encouraged

However, some steps to tighten control of the monetary base do seem likely, and those will have sufficiently revolutionary results. They are at present being illustrated in the U.S., where the Federal Reserve now uses the supply of bank liquidity rather than a target for interest rates to control the broader monetary aggregates. The result so far is that both monetary growth and the movement of interest rates have become far more volatile. Mrs. Thatcher will no doubt hope that we can achieve somewhat smoother control of the monetary aggregates, but has been listening attentively to a number of advisers who have argued that it is impossible both to control the quantity of money and its price; she may well be resigned to a more volatile credit market for the future.

For the moment, ironically enough, the City is alive with hopes that figures will soon appear showing that traditional methods have been far more effective than appeared from the admittedly distorted July and August figures. There are reports, greatly encouraged by an optimistic forecast from Barclays Bank, that bank lending has now yielded to the recession, and that the worst of our monetary agonies may soon be over. There has not yet been enough money behind this view to move the market past the barrier of nearly £1bn of official tap stocks, but the banking figures next week are awaited with almost greedy interest. No one, alas, supposes that any of the broader problems we have listed could evaporate so easily.

'While cowards flinch and traitors fear we'll keep the Red Flag flying here . . .'

Hugh Routledge

Fudge, fudge and fudge again

POLITICS TODAY

Malcolm Rutherford

THE CHIEF victor at this week's Labour Party Conference in Blackpool was not even there. It was Mrs. Margaret Thatcher.

Among the principal casualties was Mr. James Callaghan who now looks as if he will be denied the dignified departure that on the whole he deserves. It was Mr. Callaghan who told the Conference on Tuesday morning that he detected the emerging general will which he defined as follows: "That everything we say and do should be directed towards achieving a basis of unity."

"What is there that can divide us," he went on to ask rhetorically, "when we have a reactionary government in power?"

Not for the first time, the former Prime Minister turned ou to be spectacularly wrong. He reckoned without the Labour Party. The timing of Mr. Callaghan's departure may still be in doubt; it is the dignity that could be lacking. For if there is one special message at the end of the week it is that a seizeable part of the Parliamentary Party no longer trusts his leadership.

Mr. Callaghan had promised that the demands of the Left for reform of the party constitution could best be dealt with by negotiation, perhaps by giving a little here and there but all in the interests of preserving party unity. He failed to deliver. The in-word at the Conference, certainly among the Right and Centre, was "fudge." Mr. Callaghan is being accused of seeking to fudge, fudge, fudge and fudge again to save the party they used to love. Many on the Right and centre want to fight; so too does the Left.

It is not only the constitutional matters and the personalities. We shall come back to all those. First there was the slippage on policy. Almost everybody must know by now that the Conference voted that the next Labour Government should withdraw Britain from the Common Market and in favour of unilateral nuclear disarmament. Even the less extreme resolutions on defence, which were also passed, amount in effect to a call for opting out of NATO. What has received less attention, partly because the Conference gave less attention to it, is the approach to the economy, surely the crucial issue in the next general election.

There was a debate on economic strategy on Monday morning. The Conference approved one resolution opposing incomes policy and another in favour of it. The latter did not even make sense. It calls for planning "to include all wages and salaries, the distribution of wealth and the control of prices, rents, dividends, interest rates, capital movements, investment and profits to the Gross National Product." It is possible that some words were inadvertently omitted from the text. If so, nobody pointed it out. Indeed nobody seemed to have noticed.

It is true that one of the most extreme resolutions was defeated on the advice of the National Executive Committee. Among other demands it called for "an end to redundancy: any firm refusing to pay a living wage or threatening redundancy to be taken into public ownership" and a legal maximum working week of 35 hours "with no loss of pay." Defeated it may have been: Mr. Anthony Wedgwood Benn said that the NEC had not yet worked out the details of how it could be done. Yet one could not help noticing how the calls for the 35-hour week without loss of earnings for nationalisation of any company considering shedding workers have slipped into the language. They will come back next time. Nobody said anything about the cost. Nobody indeed said anything about the cost of anything, except defence.

Nobody said anything about the cost

There was a fringe meeting on Tuesday evening addressed by Mr. Joel Barnett, the former Chief Secretary to the Treasury. The subject was "Economic policy for the next Labour Government." You would have thought that that was pretty central. Barely 50 people turned up, less than you can get to a meeting on animal rights. Even the hecklers stayed away.

Still, Mr Barnett did have something to say. The last Labour Government had increased public expenditure by 9.5 per cent in its first year and spent the next four years trying to recover from it. The problem was how to avoid doing that again. It was impossible to go on spending indefinitely money that the government does not have. That, Mr. Barnett suggested, was what the party ought to be thinking about. Evidently it is not.

To give only one more example: the Conference voted, against the advice of the NEC, in favour of ending the sale of council houses, one of the more popular elements in the Tory programme. That from a party which claims to be seeking to give the people what they really want!

So much for policy; now to the leadership. The position looks like this. The party appears to be saddled with the principle of a wider franchise to elect the leader than the present system of leaving it to Labour MPs. But the method will not be established until a special conference in January or so, if then. In the meantime, however, the Parliamentary Party is obliged to elect or re-elect its leader before the new session of Parliament in November. It will use the existing system

Mr. Callaghan appears to have told no one of his intentions — certainly Mr. Denis Healey claims to be still in the dark—and may even not finally have made up his mind. He is under pressure to stay on two grounds. First, the unions want him, or rather they do not want anyone else. Mr Moss Evans of the Transport and General Workers' Union, in particular, is strongly opposed to the succession passing to Mr Healey, though he has no alternative candidate except Mr Callaghan.

Second, whoever becomes leader in the Parliamentary election in November will have only a limited claim to the throne. He will have to await the outcome of the special conference and then of an election under the new system to see if he is confirmed in office. In those circumstances, it is said, it would be much simpler for Mr. Callaghan to stay until the whole business is sorted out. If he did seek re-election, on an interim basis in November, it is more than likely that he would be unopposed. Mr. Healey would not stand against him in such conditions; nor would any candidate from the Left because the Left wants to wait for the new system.

Will Mr. Callaghan comply? There are several reasons why he may not. One is that he is plainly fed up. The pain of Blackpool may ease somewhat by next week, but Mr. Callaghan is sick and tired of the NEC and trying to coax a party which declines to heed his calls for unity. Another is that there would not be much joy in being a purely interim leader until there is a system to replace him. In practice, he would be a figurehead.

Again, the motives of many of those who urge him to stay are suspect. It is the "Keep Healey Out brigade." They do not much like Mr. Callaghan, but he can be pliable: They like Mr. Healey even less. Moreover, there is now a substantial body of the Parliamentary Party which would like Mr. Callaghan to stay indefinitely—and not just as an interim leader——provided that he stands up and resists the Left, but which has begun to despair of his ever doing so. Unless he shows signs of changing his spots, they would now like him to go as quickly as possible. The most articulate exponents of this view in public are Dr. David Owen and Mrs. Shirley Williams; they were gathering support in the Parliamentary Party as the week progressed.

Nevertheless, the party is stuck with the problem of having to elect someone who will inevitably appear as an interim or caretaker leader in November. If Mr. Callaghan goes, Mr. Healey's hat will be in the ring at once. The real question is who else will be there. Mr. Michael Foot, the present deputy leader, has let it be known that he would be prepared to stand, having specifically used the word "caretaker." Should he stick to this position and Mr. Callaghan does depart, there seems little doubt that it would be in effect a straight Healey-Foot contest.

Who would win? We are now deep in the realms of hypothesis, but it could be awfully close. Mr. Foot is no longer as loved by the Left as he was, but he would still be the left wing candidate. Beside him, the claims of Mr. Peter Shore or Mr. John Silkin would be dwarfed. Mr. Benn was never a serious candidate in an election under the present

In the end the outcome would probably depend on a number of MPs who are hardly household names and who may never reveal how they vote in a secret ballot. One should not forget that some of them will be under considerable pressures to support the Left because the new system of mandatory re-selection means that their own future depends on their satisfying their local party organisation, many of which are dominated by the people who were making the baying noises at Blackpool.

The baying noises at Blackpool

Thus all one can say at the moment is that a victory for Mr. Healey cannot be taken absolutely for granted. If he does win, he himself takes the view that possession is nine-tenths of the law and that he would be eventually confirmed in office by the wider franchise. That is almost certainly correct.

Mr. Healey's fate has become inextricably bound up with the future of the party. It is not that people like Dr. Owen, Mrs. Williams and Mr. Bill Rodgers regard him as the ideal candidate. On the contrary, they believe that he is all too capable of fudging. Many of the right-wing attacks on the fudging of the past, ostensibly directed at Mr. Callaghan and Sir Harold Wilson, are also intended as a warning to him, and indeed Mr. Healey would fudge a bit: he would have to. Yet he is seen as the only candidate who could recreate the sort of party to which Dr. Owen and his friends would wish to belong and for which a large section of the electorate would be willing to vote.

What about the inheritance? It did not look too good before Blackpool. Now it looks awful. Even on the assumption that the Right will win in the end, the Left will not easily give up. Only a few days ago, for instance, Mr. Eric Heffer was being talked of as a possible deputy leader to Mr. Healey. He was mentioned as the sort of left-winger who at least listened to reason and was interested in office. Yet it was the same Mr. Heffer who stood on the platform on Thursday, pointed to the Labour MPs and shouted: "What about the rabble over there?" These wounds will not easily heal on either side.

There is also the question of the need to reverse some of the policy decisions. Mr. Healey has always taken the view that the only manifesto that matters is the one immediately before a general election. Only in the last year before an election indeed is it possible to know what to say, because only then is it clear how the government of the day has been doing and where it is most vulnerable.

In effect, Mrs. Williams is taking the same position. She is saying that there will be no Centre Party under her; nor will she resign from the Labour Party, even on Europe, or at least not yet. The test will be what goes into the manifesto before the election. If it is bad, she will go, and so perhaps will a good many others. That would not be the best way of going into an election campaign.

The party has perhaps three years in which to pull itself together. But it will not be a matter simply of making brave speeches at Blackpool. As Dr. Owen, who made some of the bravest of them all, pointed out, it will also be necessary to go into the constituencies and start reforming the party from the bottom up.

According to Mrs. Williams, many Labour supporters are now afraid to go to party meetings for fear of being shouted at, hissed at, spat at and told they're "Bloody Tories." On the evidence of Blackpool, one can believe her. That is the measure of the problem.

Letters to the Editor

Councils

From Hazel Martin

Sir, — Councillor Cassidy's letter (September 26) shows *how our rates and taxes could* be cut—at a stroke—but unfortunately misses a key point.

This is that the administrators and civil servants, including those who "advise" on where cuts could be made, report to elected councillors and MPs, and they in turn have the power to decide on the cuts. Indeed, Conservative members at both local and national level were elected on that very ticket. Why are they not carrying out their promises? Is there something else inhibiting them?

I venture to suggest that the system for county councils, and to a considerable extent for Parliament as well, is such that men capable of making strong policies and seeing them through are precluded by the odd habits of the self-perpetuating meetings committees. Many of the big spenders among local authorities (who spend a quarter of the total tax and rate take) meet during working hours, and automatically restrict candidates to housewives, pensioners and a minority group of privileged professionals such as farmers and solicitors.

Up-and-coming managers from industry cannot stand for election without jeopardising their careers, and few others with practical experience have the chance either. Lawyers make poor MPs for they are taught to defend the case that pays them and not to think for themselves!—yet who forms the largest group at Westminster? I can count the engineers in the House of Commons on two hands, yet how many technical decisions vital to our future are left to mere amateurs?

Until we have more men worthy of the name we will continue fudging our way without getting anywhere.

Hazel Martin.
Habryn House,
Great Easton,
Dunmow, Essex

Cars

From Mr. E. Harper

Sir,—Are they crocodile tears that are dripping from our motor manufacturers eyes?

I wished to purchase a small economical hatchback car with an automatic gearbox. Salesman for BL—"a Metro? No not until next spring, demand for one has been very large, I would have liked one myself." Salesman for Ford—"No—the Fiesta should be available automatic in about 18 months time—we have had a lot of inquiries, but demand is so great for the manual version that it has not been possible to develop. No—the new Escort is not available with this option, possibly in about a year."

Can you really wonder I find it difficult to feel sorry for the motor industry?

E. B. Harper.
6, Channel View,
Pagham, Bognor Regis.
Sussex.

Apples

From Mr. R. Anderson

Sir,—I should like to thank Mr. Mursell for his kind invitation (September 24) but why should I have to travel all the way to Billingshurst in Sussex to avail myself of his apples and see how efficient his production is. A French apple producer does not ask me to do this. The fruits of his actions are in my local shop for all to see and if I need further cajoling then I need only turn on my television set in the comfort of my own home.

R. S. Anderson.
1, Parfour Drive,
Kenley, Surrey.

Aden

From Major General R. Mans

Sir,—James Buxton reports (Sept. 24) that Mr. Gethachew Kebreth, the Ethiopian Justice Minister, during his recent visit to London refused to acknowledge the presence of a Soviet base in Aden.

The Russians have a supreme headquarters in Aden housed in the same building as the old British HQ; the runway at Khormaksar airfield has been lengthened for the use of *modern Russian fighter and* transport aircraft, and submarines can now be repaired in the harbour.

The Soviet command in Aden covers an area from the Red Sea to the Indian Ocean. It has assumed greater significance since the Russian invasion of Afghanistan and would be capable of intervening swiftly if the Iraq-Iran conflict widened into a confrontation between the Great Powers.

Ironically, Mr. Getachew was probably right when he asserted that Russia has no "fast deployment" force as proposed by the United States. Soviet forces are already on the ground.

(Major General) R S N Mans.
Kirke House, Sway Road,
Brockenhurst, Hants.

Money

From Mr. E. Gurney

Sir,—Miss Macdonald has sparked some interesting correspondence (L. A. Jackson and N. Travers, October 1) on the question of money supply and if we may consider the question shorn of such unrealistic indicators as M3, I believe she has a case. It would be essential for such a Monetary Commission to be independent of the Government of the day or, indeed, of Whitehall and, since it is now a quasi-government department, the Bank of England also.

I certainly do not underrate London's concentration of financial skills, but we are concerned surely with providing a datum. The expertise would still be available and very much required to optimise around the datum. Our problem has been, and remains, how to keep the goal-posts still!

E. R. Gurney.
30, Milsom Street, Bath.

Annuity

From Mr. R. Anscombe

Sir,—What Mr. Iqbal states (September 26) is true when one considers unit linked policies and with profits policies which provide a cash fund.

The point that has been missed is that there are still *some life offices whose policies* are deferred annuity contracts. Under this type of contract a guaranteed annuity is included in the policy at the outset. Bonuses are added at regular intervals to this amount, providing a pension which grows steadily with time, irrespective of hiccoughs in current interest rates, market values, etc.

Therefore if a self-employed person wants a really secure pension he should invest in a deferred annuity contract.

R. J. Anscombe.
8, Woodland Way,
Petts Wood, Orpington,
Kent.

Management

From Mr. K. Sykes

Sir,—The report by Christopher Lorenz on "The Group of Talloires" (Management Page, September 26) will have struck a chord in the minds of many of us concerned with management education.

Dr. Wade's summary of recommendations for changes in management education cannot however be regarded as novel. Our experience led us to similar conclusions at least two years ago and to appropriate responses.

I am sure this is equally true of other business schools and colleges that are concerned, to anticipate and respond to the realistic needs of management education.

K. M. Sykes.
British Transport Staff College,
Hook Heath Road,
Woking, Surrey.

Check

From Mr. L. Harrold.

Sir,—Has anyone tried using a European Euro cheque in England? I paid a Euro cheque drawn in sterling, on a Swiss bank, into my own bank account on August 23, the funds were debited to the drawer's bank on September 3 and by September 22 the funds were still not credited to my account!

On enquiry from the British high street bank I was told "oh if the Euro cheque had been drawn in Swiss francs we would have known how much to have credited your account with but as it was drawn in sterling we have to send it for collection first."

Surely a cheque must be paid by the drawer's bank in full (all costs going against the drawer) with the exception of a small charge by the collecting bank?

I wonder what happens to the funds from September 3 to September 22 when overnight money is 17 per cent plus? Is that one of the reasons why our high street banks are making such a nice profit?

Leslie P. Harrold,
"Taunus,"
3a Latchmoor Avenue,
Gerrards Cross, Bucks.

Rates

From Mr. C. Foster

Sir,—You were kind enough to report (September 15) arguments I put forward on why non-domestic rates are a bad tax as well as on other aspects of local finance. In springing to the defence of non-domestic rates the county treasurer of Warwickshire (September 23) objects that the practical effect of reducing or eliminating non-domestic rates would merely be to increase the amount of corporation tax paid by firms which incur that tax. So it would, but it would undoubtedly help firms not profitable enough to pay corporation tax.

The point I was making was that non-domestic rates were a bad tax on businesses because they fell on them whether they were making profits or not. Mr. Hunt then suggested the reason why non-domestic rates are now such a high proportion of profits is that profits are low. Indeed, I said as much; and it is making the same point the other way round. If profits were higher then the burden of non-domestic rates would seem less. Mr. Hunt also argues that non-domestic rates cannot be regarded as a cause of low profits. In the sense that world recession and *the strong pound are causes,* this is true, but it is also true that if rates were lower, or better related to profits or some other measure of the economic activity of firms, many firms would be making profits that are not doing so now and some bankruptcies might be avoided.

Mr. Hunt should remember too that unemployed persons are likely to benefit from rate rebates. There are no similar rebates for small or otherwise struggling firms.

Christopher D. Foster,
Coopers and Lybrand Associates.
Shelley House,
3, Noble Street, EC2.

Survey

From Mr. R. Hooper

Sir,—I enclose a copy of a leaflet which is being distributed in connection with a survey being made by the Government into "National adult height and weights." The survey is being conducted on behalf of the Department of Health which, it says, is concerned to establish accurate standards of height and weight for the population. Apart from forming the basis of future studies as the nation changes its eating habits or way of life it is suggested that the information will be of use to the clothing and furniture industry.

I have been given to understand that the cost of this survey is in the region of £500,000. How can this expenditure possibly be justified in view of the policy to cut back public expenditure or indeed when related to the cuts which are being made or threatened in the provision of medical services such as the closure of the bone marrow transplant unit?

R. E. Hooper.
4, Wootton Close,
Stratford-Upon-Avon,
Warwickshire.

SCOTLAND'S FISHING INDUSTRY

The last hunters fight for survival

RAY PERMAN reports on a week at sea with a Scottish fishing crew.

IN THE THIN sunshine of the dawn the crew of the Aquila heaved in the haul of fish they had steamed half a day and a night to find. The size of the catch showed the first gamble of the week had been lost—the fish had gone. Any disappointment was shrugged and cursed away.

Fishermen are the last large-scale hunters in our industrial society, seeking their prey in the vastness of the sea. They rely almost entirely on experience, intuition and luck; only when the boat is right on top of the fish are modern aids like the echo sounder any help.

The Aquila's skipper, William Strachan, had spent the hours before leaving the home port of Peterhead in north-east Scotland gleaning information from other skippers who had just landed. It was not easy. Fishermen are intensely competitive and the whereabouts of the fish are closely guarded. Yet without some indication a boat could head in the wrong direction—an expensive mistake which boats can ill afford in the present dire position of the industry.

Mr. Strachan's instinct was to head for the Viking Bank, off the coast of Norway, where he knew there had been fish recently. But at the last minute he was tempted by reports of rich hauls 180 miles to the south east. It was a risk, because if the fish had moved on the area was a long way from the usual feeding grounds.

The following morning he needed only one look at the few small cod, haddock and plaice on the deck to know his first *instinct had been right*. His change of mind had cost a day's fishing and £500 in diesel.

He set a new course and went to his bunk. In a short while, the rest of the eight-man crew had done the same thing, leaving only one man on watch.

Fishermen sleep when they can; when they "hit fish" no-one knows how long it will be before he gets to his bed again.

The Aquila is typical of the hundreds of "seine netters" which catch most of the white fish eaten in the UK. She is 80 feet long and although fairly new has a wooden hull for better stability. William Strachan, 32, who owns her in *partnership with three of his* crew, bought her three years ago after selling a smaller and less powerful boat. He thought at the time he was being progressive, but he now wishes he had not made the switch.

Only outsiders appreciate how hard is the life of fishermen. In a week at sea with the crew of the Aquila I never once heard one of them complain, unless it was to curse the sea for its meanness. Yet the work was heavy and relentless, and the hours were exhausting.

"Seine netters" shoot out a net as one side of a loop of rope *several miles long and then tow* it for an hour or more so that the loop is flattened and the net closed. On a full day's fishing the Aquila made her first shot before it was properly light at 5.30 am and pulled in her last haul by the light of flood-lamps after 8 pm.

In summer, particularly in the far northern waters of the North Sea where the nights can be as short as one hour, the work goes on longer; mild weather and daylight have to be used while they last.

Ropes and nets no longer have to be pulled in by hand, but power winches cannot do everything. The strains of heavy lifting are increased by the constant necessity of bracing yourself against the tossing of the boat on the waves, and there is little respite between hauls. The fish—a ton or more at a time—have to be sorted, gutted, washed and boxed in ice in the hold before the next netful is landed on the deck.

Meals, practically the only relaxation besides sleep, are *snatched* in odd moments.

It is never possible to take a break for a few hours while the fish are there to be caught. No-one knows when they might disappear or when the weather will change and make fishing impossible. Each man's wages and the future of the vessel which provides his livelihood depends on the weight of fish landed.

The Scottish fleet mainly goes after white fish. But catching haddock, the most prolific species in British waters, is restricted by quota.

The quota *system* is rigidly enforced by inspectors of the White Fish Authority, but it has little effect on protecting the fish. With prices low and catches restricted, boats land only the larger fish, which fetch a premium. Smaller haddock are flung back dead into the sea.

The crew of the Aquila spend twice as much time in each other's company as they do with their wives and families. They sail every Sunday night and are often at sea for five days and nights, returning to spend another half day unloading the fish at the market and taking on fresh provisions.

Traditionally this hard work has brought high rewards, and in good weeks fishermen could count on higher wages than the best paid industrial workers. But the collapse of quayside prices as a result of the recession, and increasing landings of cheap fish by foreign boats—particularly from Iceland and Canada—have shaken the base of the industry.

Hauling in the Aquila's nets: the work is heavy and relentless, and the hours exhausting

Once the good weeks when big catches were landed paid for the bad weeks when the sea was too rough or the fish were simply not there to be found. That is no longer the case. In spite of the fact that the UK fleet cannot supply the whole British demand, the share of the market going to domestic boats is falling. Frequently at *Peterhead in recent weeks* wholesome fish has been unsold and has ended up as fishmeal at 50p a box. Nothing saddens a fisherman more.

Two months ago prices fell so low that a group of Peterhead skippers decided to call the fleet home. For a week the port was at a standstill, but then after a protest meeting the boats returned to sea. The fishermen realised the powerlessness of their position. A boycott hurts *themselves while leaving a free* rein to imports. There was no stomach for the next step up—a blockade of ports and harbours.

Productivity increases are not enough to save the situation. This year Aquila has landed 20 per cent more fish than last year, for the same money return. *Meanwhile*, operating costs, particularly fuel prices, have rocketed.

But in the week I fished with her, she was lucky. A poor week's fishing was redeemed by unusually high prices at the Saturday market. The force eight gale which had battered the boat for 12 hours on her *way in*, which broke loose the life rafts from their supports and flattened the deck rail, also "blew up the prices." Dealers knew that in such bad winds there would be no weekend fishing, so they bid high for what fish was available.

On a moderate catch of 212 boxes (10.6 tons) Aquila made £4,640—about twice the average for similar catches in previous weeks. After deducting expenses, such as £1,200 for fuel, £232 sales commission, £300 for the hire of Decca navigation equipment and so on, there was £2,251 left. The crew shared £1,120, the boat took the remaining £1,131.

Other boats which had landed a few days earlier were not so fortunate. The Loraley, also from Peterhead, brought home 200 boxes and made only £2,000, not enough to cover her running expenses. Her skipper put to sea again to try to earn a wage for his crew. The Illustrious made a £1,000 loss on a four-day trip.

On shared ownership vessels, which form the *majority* of the Scottish fleet, the tradition is to split the net proceeds from the sale of the catch equally *between the crew and the boat*. The crew's share is then divided equally between them, each man, including the skipper, getting the same amount.

As entrepreneurs, the skipper and other partners in the boat, are supposed to make extra money from the boat's share of the cash. In *reality*, there is none left over.

Fish prices have fallen so low that the boat's half share cannot cover all the calls on it, the heaviest being interest payments. All but the oldest boats have been bought with loans, mostly overdrafts from one of the three Scottish clearing banks. Most owners are charged 3 per cent over base rate, with only the top earning fishermen getting a discount to 2½ per cent.

This year interest charges on the Aquila will amount to £32,000—£800 a week assuming she is able to fish for 40 weeks of the year. Insurance is another £10,000 and there is the cost of renewing the gear. A coil of rope costs £220 (Aquila uses about 30 a year) and a net, should you be as unlucky as the Aquila was a few weeks ago and wrap one round a wellhead on the sea bottom, costs £1,200 to replace.

Mr. Strachan estimates that by the end of the year 20-30 per cent of the boats which sail out of Peterhead will be out of business. His worry is that the Aquila is on the borderline. One large unexpected cost, like a major engine overhaul, could mean the end. The crew would lose their livelihood, and some would lose their homes, which are security for part of the loan.

The cash subsidies announced *by the Government two weeks* ago will stave off the inevitable bankruptcy of some boats, but only for a short while. Ironically, the newer and more efficient boats (still paying off large loans) are the most vulnerable in the present crisis, while older vessels owned by older skippers who have long since repaid their overdrafts are in the best position to survive.

Fishermen are sceptical of politicians of all parties and believe that the interests of their industry are being traded in the EEC negotiations on a common fisheries policy for concessions in some other field.

Yet the EEC is not the focus of discontent from Peterhead. In spite of some carping about how strictly the Danes enforce their quotas, or whether the Norwegians allow British boats to land, there is a feeling of give and take towards Britain's near neighbours across the North Sea. "We fish their waters and they fish ours" is a common viewpoint.

What rankles are imports from further afield, where there is no reciprocity. There is *particular bitterness towards Iceland*, which helped to hasten the decline of the UK deep water fleet by excluding it from Icelandic waters. The imports now damaging the British industry most are heavily subsidised by governments, fishermen maintain, yet import tariffs *are inadequate to offset* this unfair competition.

"We don't want handouts, we just want what is our own, the right to fish our own waters and compete on equal terms," says William Strachan. "Surely that's our right?"

Weekend Brief

The general and the VADs up the 'bumper'

VAD's in the trenches: a 1914-18 flashback.

The general looked at the church in the centre of Montreuil, the little French town that was British headquarters for the 1916 Battle of the Somme. "Never been inside," he said. "I used to go to the Church of Scotland hut. So did Douglas Haig. We were both Presbyterians."

General Sir James Marshall-Cornwall is 93. He was a 28-year-old gunner subaltern when World War One broke out. He was posted to France as an intelligence officer on the C-in-C's staff.

This week Sir James went back to Montreuil as a VIP guest on a tour of the Somme battlefields. He stood by the statue of Earl Haig on horseback *in the main* square and said: "It's better than the Whitehall one. Haig was a cavalryman. He would never have held a horse in the way he does in Whitehall."

The road back to the Somme was organised by authoress Lyn Macdonald—"I'm not so *much a military historian, more* a retrospective war correspondent." Her new book, *The Roses of No Man's Land*, is the story of VAD nurses in World War 1 (to be published on Monday by Michael Joseph) and she is at work on two other war books, the fruit of interviews with people who lived through it.

The trip "up the bumper" (Tommies' slang for the front line) included, as well as the general, old VAD nurses headed by Kitty Kenyon, another 93-year-old, and Charlie Sheppard, *formerly* of the Rifle Brigade, who has a claim to being Britain's first blood donor. He gave blood to a badly-wounded Welsh soldier and gained two weeks' leave in "Blighty" as a "thank-you."

The party was given a civic reception in Boulogne, toured war cemeteries and the next day drove up to Beaumont-Hamel which took the Allies four months to capture in 1916. It walked from the British front line to the objective only a mile away.

Along the road there were memories. There was *a stop at* the little cemetery where Roland Leighton, Vera Brittain's poet-fiance is buried, which fascinated all who had watched the BBC's *Testament of Youth* series.

Out of the corner of his eye, Charlie Sheppard saw a village. "That barn was where we were billeted. I remember the night just before we went up the bumper and the Australians got me drunk—they had more money than us.

"The next morning I went sick—toothache. I told the MO. He painted my gums with iodine and sent me out on Lewis gun practice—with a hangover of all things."

Charlie and the general between them gave their companions — who included a naturalised Englishman who *had served* as a German infantry officer in 1914-18 and as a British intelligence officer in World War II—a splendid combination of high strategy and low life in the trenches. *Miss Kenyon spoke movingly of* the nurses' work at military hospitals near Boulogne. "The wounded came by train straight from the field dressing stations. Those not likely to die went on to England. We got the worst."

At Newfoundland Park, the point where the Newfoundlanders attacked and lost so many men that after the war the province's economy was seriously threatened, the trenches are preserved and Charlie and the general were able to walk over their old battlefield.

A party of five British teenagers, in France on a camping holiday, chattered about the piece of a rusty gun carriage they had found near the old German front line. Charlie stood by Y-Ravine, a deep natural crevice where the Germans had sheltered from the artillery *barrage*, and confessed he was seeing ghosts.

Lyn Macdonald decided that her trip back "up the bumper" had been a great success. For her book she did 1,000 hours of tape recording. She looked at letters from all over the country. She says she wants to "tell it as it was." With supporters like Charlie and the general as allies, her task is lightened.

How Al Capone would have grieved

The Marx Brothers would have loved it—a night at the opera, but with no orchestra and no singers.

Throughout its history the New York Met has attracted all the leading singers from Caruso (a favourite of Al Capone) to Callas, and all the great conductors including Mahler and Toscanini. But now it has been silenced, *for the first time* in its 97 years, by a bitter dispute about pay and working hours between the management and the house's orchestra. This week the company reluctantly decided to cancel its 1980-81 season.

The *curtain* should have risen on September 22 when the new season was to have opened with Puccini's *Turandot* featuring such super stars as Luciano Pavarotti, the Italian tenor with a huge popular following in America, and Monserrat Caballe, the Spanish coloratura soprano. There is a sad irony that the opening never took place for in its time the Met staged the premieres of two Puccini operas, *Il Trittico* and appropriately, *La Fanciulla Del West* (The Golden Girl of the West).

When the *formal* announcement that the season was cancelled came, for many New Yorkers it was as if a bit of civilisation had died. The Met, after all, has traditionally claimed in its advertisements and brochures that "there will always be a place for civilisation," presumably meaning that that place was the Met.

The dispute basically involves demands by the orchestra for more pay and a four-performance week compared to five performances a week which, according to the management, would have sent the company into the red.

Unlike other opera companies, The Met has not lost money during the past four seasons. It does *not* like to talk about profits but discreetly says that it has had "excess of income over outlay." But had it backed down to the orchestra's demands, it claims it could have lost as much as $5m this season. The company, a non-profit-making organisation, makes 50 *per cent of its money from box* office receipts with best tickets selling for about $50 each and the rest from donations.

For their part, the orchestra claims it is badly paid by symphony orchestra standards. In a large advertisement in the New York Times this week directed to "the opera loving public," the orchestra claimed "our salaries and our ways of life are modest. We are seeking reasonable terms for hard work."

None the less, the orchestra are among the better paid members of the company. They currently earn average annual salaries of just over *$37,000*. They have always taken a tough stance in labour negotiations and have inevitably set the precedent on which other artists have negotiated their new contracts.

But the Met's executive director, Mr. Anthony Bliss, has taken an equally intransigent position. "We have worked too hard in recent years to turn this company around both artistically and financially to see it destroyed by giving in to the orchestra's demands," he said this week.

For many, the idea that the Met has cancelled its season is not believable. They feel the dispute could still be resolved enabling the season to be revived at some later date. They claim that both the management and the orchestra are currently *involved* in an exercise in brinkmanship and that ultimately neither will allow the curtain to stay down.

A long closure could have dire consequences not only for New York, its tourist trade, the restaurants and bistros around the opera house at the Lincoln Centre, and opera fans, but for the Met's status as the leading company in North America. Already other companies, especially the San Francisco opera, is hot on its heels—spending lavishly to put on spectacular performances with *all the big prima donnas and* stars.

Unsung British triumph in the America's Cup

Britain was represented at the finishing line in the recent America's Cup race after all, even if our yachtsmen lost in the earlier stages, leaving the Australians to mount the final and unsuccessful challenge to the U.S.

The British flag was carried by a small specialist Manchester textile company, Henri-Lloyd which supplied the crew of the American yacht Freedom (and the second U.S. vessel Enterprise) with waterproof clothing. About 40 of Henri-Lloyd's top of the range Ocean-Racer brand suits—UK retail price £130 for jacket and trousers — were bought by the Americans, all made of fabric woven in Lancashire from ICI nylon yarn. The Swedish team which was knocked out by the Australians in one of the qualifying rounds also used Henri-Lloyd equipment.

The company was founded 17 years ago by Mr. Henri Strzelecki, who fought with the Polish army during the war and then stayed on, and his partner Mr. Angus Lloyd. It has built *its reputation in the worlds of* yachting, angling and mountaineering with fabrics made to secret specifications designed to guarantee hard wear and waterproofness. The yarn used is specially spun and then woven in a way which enables it to respond to Henri-Lloyd's *own* proofing treatment. The seams—the point at which many garments tend to let in water—are hand-made, and the problem of perspiration is dealt with by the use of an inner waterproof lining. The air pocket between the lining and outer fabric helps to reduce perspiration by up to 70 per cent, it is claimed.

The resulting product, has helped to keep dry various round the world sailors from Sir Francis Chichester on and has been used by competitors in The Observer single handed transatlantic races, The Tall Ships Race, and the Olympics. It is also now being used on the current British Services Trans-globe Expedition and Operation Drake, and has found other applications with police, fire brigades and the offshore oil industry.

The bulk of sales, however, are to the weekend and holiday yachtsmen and with the explosion in interest in sailing Henri-Lloyds sales have been growing—until this year at any rate—by 20 per cent per annum. Current turnover is £2m of which 40 per cent is in export markets.

The recession has seen growth slow down this year, however, with UK trade particularly hard-hit by the drop in the volume of visitors to holiday resorts. Far Eastern suppliers offering cheaper products are also moving up-market to challenge for sales.

Henri-Lloyd which has built up its labour force to nearly 200 is hoping that at least some of the reflected glory from the win by Freedom will shine on it. The UK team was not wearing Henri-Lloyd equipment — a lesson the company hopes will also be noted by the organisers of Britain's next challenge.

Contributors:
Alan Forrest
Paul Betts
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Economic Diary

TODAY—Meeting of Polish Communist Party Central Committee.
TOMORROW — West German General Election. Portuguese General Election.
MONDAY—Meeting of National Economic Development Council—discussions include implications of North Sea oil and also Chancellor of the Exchequer's paper dealing with pay rise problems. House of Lords resumes sitting after summer recess to face backlog of legislation. Wholesale price index (September provisional). Retail sales (August final). Hire purchase and other *instalment* credit business (August). Two Canadian Cabinet Ministers, Mr. Mark MacGuigan, External Affairs Minister and Mr. John Roberts, who has a constitutional brief in addition to his portfolio for Science, Technology and the Environment, in London for talks with Mrs. Margaret Thatcher to explain plans to give Canada a constitution of its own. Prison officers begin industrial action over meal-break payment.
TUESDAY — Conservative Party Conference opens, Conference Centre, Brighton. *UK banks'* eligible liabilities, reserve assets, reserve ratios and special deposits (mid-September). London clearing banks' monthly statement (mid-September). EEC Foreign Ministers meet in Luxembourg—talks will include financial mechanism and supplementary measures for the UK following the Budget agreement. Housing starts and completions (August). Provisional figures of vehicle production (September). Personal income, expenditure and saving and company profits (second quarter).
WEDNESDAY — Trades Union Congress economic committee meets, Congress House, London. Two-day Financial Times conference opens in Madrid on "Spain and the Common Market—Policy and Alternatives." London Festival Ballet annual report and plans for 1980-81.
THURSDAY—National Union of Mineworkers' executive meets, Euston Road, London. Central Government transactions (including borrowing requirement) (September).
FRIDAY — Building Societies' monthly figures (September). Usable steel production (September). Report on the finances *of the Church of England*. Nobel Prize for medicine to be announced in Stockholm.

Lyle Shipping slips but looks set to perform well

THOUGH first half profit climbed at the operating level for Lyle Shipping Co. the pre-tax figure emerged £308,000 lower, mainly because of a sharp fall in the gain from selling investments.

However, Mr. Herbert Walkinshaw, the chairman, is confident that results for the full year will be highly satisfactory. He says that all divisions seem set to perform as well in the second half.

Also a turnround is expected at Lyle Offshore Group together with full profits from Scottish Ship Management, which became a subsidiary in June, and large capital profits.

In 1979 taxable profit showed an upturn to £3.39m.

For the six months to the end of June this year operating surplus reached £2.34m (£1.52m), before interest of £1.16m (£904,000), and on turnover up £1.62m to £7.97m.

The pre-tax figure came out at £2.33m (£2.64m) following a fall from £1.5m to £53,000 from investment disposals, partly offset by a rise from £810,000 to £1.08m in profit from sale of ships, and £30,000 (loss £284,000) exchange gain on loan repayments.

After a tax credit of £28,000 (£363,000 charge) earnings per 25p share dipped 2.32p to 34.99p. The net interim dividend is stepped up to 4p (3.3p)—last time a 4.2p final was paid.

The half year results reflect the continued steadiness of the freight markets and relatively trouble-free operations, Mr. Walkinshaw states.

The chairman adds that although the medium term outlook is still uncertain, due to the current weakness in freight markets and the world economic situation, present forward cover of business should largely protect the company from the effect of any downturn in 1981.

In the longer term also he remains confident of the group's ability to make good progress.

The advance in the first half operating surplus came chiefly from shipowning—ahead from £1.03m to £2.24m. Ship management and broking reached £507,000 (£101,000) and precision engineering £50,000 (£4,000) but North Sea services ran into a £479,000 loss (£350,000 profit) and insurance broking turned in £14,000 (£35,000).

● comment

Lyle's ships doubled their contribution in the first half and are expected to continue to do well for at least another year because of substantial forward commitments. The losses of Lyle Offshore should be reduced in the second half and Scottish Ship Management, now a subsidiary, may better its £1.75m forecast. Capital gearing and interest charges are falling significantly as foreign debts are repaid with the proceeds from ship sales. Pre-tax profit might reach £5m for the year. No tax liability is in sight so earnings per share could be 74p which would mean the shares, up 12p to 252p yesterday, are on a very modest rating. The prospective yield, if the increase in the final is the same as at the interim, is 5.2 per cent.

Triplevest interim increase

PRE-TAX revenue of Triplevest, investment trust, improved from £1.14m to £1.44m for the half year ended August 31, 1980, and and interim dividend per 50p income share is increased from 3.176p to 3.941p net.

Including a special of 0.9401p total payment for 1979/80 was 7.2111p paid from pre-tax revenue of £2.6m (£1.87m).

The directors say that the income growth shown in the first half should not be anticipated for the second six months, as since August 31, the rate of increase in the growth of dividends received has *slowed*.

Net asset value per £1 capital shares is shown as 435½p (401p at February 28, 1980).

Higher charges leave Sparrow 30% down at six months

STRUCK AFTER much higher depreciation and interest charges, the *taxable surplus of* G. W. Sparrow & Sons, crane hire group, came out 30 per cent lower at £437,000 for the first half of 1980, against £624,000. Turnover expanded from £8m to £10.2m, a rise of 27 per cent.

With trading conditions indi*cating no improvement, no signs* of any immediate cut in interest rates, and the effects on second-half figures from the first national crane drivers strike, the directors feel it imprudent to make any forecast for the full year — profit for the whole of 1979 was a record £1.68m.

They add, however, that Sparrow will emerge from the economic recession a stronger group, and remain as confident of the future as ever once the recession is over.

Stated earnings per 20p share are 4.22p against 6.42p but the interim dividend is effectively raised to 0.88p (0.804p) net costing £77,000 (£70,000)—last year's adjusted total payment was 2.004p.

Trading profit for the six *months was* well up at £2.65m (£2.04m) but depreciation took £1.04m (£764,000) and interest £1.18m (£656,000). After tax of £33,000 (£36,000) and dividends the retained amount was £327,000 compared with £518,000.

Sparrow has formed a joint venture company with Montalev SA of Voreppe, France, called Montalev-Sparrow SARL—based in France — which, the directors say, should increase group turnover and profits arising in Europe.

North British Canadian ahead

Taxable income of the North British Canadian Investment Company, investment trust, climbed from £216,523 to £268,198 for the half year to August 31, 1980.

Tax took £84,519 (£68,050) and earnings per 25p share were up from 2.2p to 2.72p. The interim dividend is raised to 1.75p (1.5p) net—last year's total was 4.25p *on pre-tax income of £472,000.*

At the half year, net asset value per share had slipped to 118.2p, compared with 118.6p a year earlier.

L. Ryan profits near £0.5m midway but setback seen

INCLUDING A *major contribution* from its specialised plant hire and haulage subsidiaries, L. Ryan Holdings, plant hire contractor and coal factor, achieved a turnround from losses of £103,000 to pre-tax profits of £458,000 for the first half of 1980. *Turnover rose by £2.1m to £7.8m.*

At the annual meeting in May, Mr. G. M. Metcalf, the chairman, said the surplus of production capacity over the demand for coals in the UK would have a marked effect on the remainder of the year and since then, the company's experience has been in line with this statement.

A reduction of supplies to main power station customers, deepening economic recession and the situation in South Wales will cause a setback to second-half results, he now states.

In these circumstances, the *company has been establishing* exports to the Continent. Although freight rates and the strong pound mean restricted margins, it is intended to develop this business to provide greater securiy for the company's operations.

Ryan Europe S.A. *operated* satisfactorily in the period and there has been an increasing demand for the company's products in Belgium. The share of profits from this associate was £227,000 (£375,000 losses).

Tax for the half year was *£9,000, against £33,000,* and earnings per 5p share are shown as 1.38p (0.42p loss).

In the last full year, the company incurred pre-tax loses of £87,000—no dividends have been paid since 1974.

The company has received planning permission for a new site in South Wales and it is hoped that production will commence on November 1. In addition, a planning application has been submitted for a further site.

The pilot plant for small *scale operations commissioned* last year is now in operation at the second site. The results from this installation have been most encouraging and the company therefore intends to manufacture an additional plant of the same type.

In Belgium, negotiations for two new sites are now well advanced and the company is hopeful that the first of these will become operational early next year.

Negotiations regarding the proposed operations in France continue and the company is also investigating further opportunities in Europe and North America.

The company is negotiating terms for a loan from the European Coal and Steel Community and £2.3m has been earmarked, of which £1.2m will be immediately available for investment in new projects.

The loan extends over eight years and is repayable in four equal stages as from December 31, 1985. After taking into account an interest *subsidy* which is connected with the re-employment of personnel previously engaged in the coal and steel industries, the financing costs including exchange risk cover have been fixed at an approximate rate of 10.4 per cent.

Results due next week

Despite the strength of British Shoe Corporation in the footwear sector and a good winter season for bookmakers William Hill, profit of Sears Holdings, to be reported on Tuesday, may have faded slightly in the first half. The pre-tax figure could be £33m compared with £37.6m in the same period last year. Sears' other retail operations, especially Selfridges and Miss Selfridge, have *suffered from the* disastrous trading conditions in central London and its motor dealers ran into trouble in the second quarter. It was hoped that the engineering division would break even this year but that milestone has probably been postponed because of the recession in manufacturing industry.

In the context of its recent reorganisation, News International forecast in July that its interim pre-tax profits would be not less than £12.25m, almost unchanged from last year. The group is also committed to paying a 4.45p dividend for the year. Both display and classified advertising have been weak re*cently but the* cover price of The Sun was put up from 10p to 12p last month. Analysts hope the second half will prove a little brighter than the first and will be looking for some indication of this in next Wednesday's interim announcement.

The mail order houses warned that their profits would be lower this year and, as the *extent of the depression in retailing* has become clear, analysts have been marking down their already gloomy forecasts for Freeman (London SW9) and Empire Stores. In addition to the pressures of poor sales and squeezed margins faced by all retailers, the mail order houses also have high financing costs on their sales. Empire, whose borrowings are more than half shareholders' funds, has been harder hit than Freeman in this respect. Both groups report interim results on Wednesday and Freemans may show £5.5m in pre-tax profits compared to £7.8m last year and Empire about £2.5m compared *to £3.5m. Their dividends look* safe but increases are unlikely. Analysts will also be hoping for some indication of how the autumn-winter catalogues are doing.

Other companies reporting interim figures next week include Minet Holdings on Monday, Cape Industries on Tuesday, Harris Queensway and Rockware on Wednesday and Higgs and Hill on Thursday. Amstrad's first preliminary figures since coming to the market last spring will be announced on Wednesday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Amstrad Consumer Electronics	Wednesday	—		—
Bejam Group	Tuesday	0.5775	1.05	1.0
Boulton (Wm.) Group	Tuesday	0.5	0.85	0.5
BPM Holdings	Wednesday	1.0625	3.1875	1.4375
Campari International	Monday	1.28636†	1.90909	1.9
Cradley (Printing)	Tuesday	—	0.42	—
Footwear Industry Investments	Monday	1.54	3.5	1.54
Kent (M. P.)	Wednesday	0.365	1.00	0.5
Lewtex	Wednesday	1.65	1.9125	1.875
London & Strathclyde Trust	Wednesday	0.6	1.7‡	0.7
Photo-Me International	Thursday	2.211	7.239	3.15
Raine Engineering Industries	Monday	0.286	0.5852	0.286
Town Centre Securities	Thursday	—	0.66667	—
INTERIM DIVIDENDS				
Allied Plant Group	Monday	0.7	0.875	
Amalgamated Power Engineering	Wednesday	3.08	3.08	
Associated Book Publishers	Friday	2.8	4.7	
Atlas Electric & General Trust	Thursday	0.9	2.1	
Bentalls	Thursday	0.3	1.05	
Bilton (Percy)	Monday	2.5	4.4	
Bowthorpe Holdings	Thursday	1.257	1.435	
Bronx Engineering Holdings	Thursday	0.26	0.79	
Cape Industries	Tuesday	3.9	7.3	
Cartwright (R.) Holdings	Tuesday	1.725	2.9	
Christies International	Wednesday	1.75	4.25	
Cliffords Dairies	Tuesday	0.8	2.2	
Empire Stores (Bradford)	Wednesday	2.4	2.7	
England (J. E.) & Sons (Wellington)	Friday	—	0.4	
Farnell Electronics	Tuesday	1.3	2.7	
Finlan (John)	Thursday	1.0	1.5	
Finlay (James)	Tuesday	2.75	3.0†	
Firmin & Sons	Friday	1.0	2.0	
Freemans (London S.W.9)	Monday	1.5	2.0	
Greens Economiser Group	Thursday	2.6152	2.6152	
Hambro Life Assurance	Monday	1.5	5.7	
Harris Queensway Group	Wednesday	2.0	4.0	
Hewden-Stuart Plant	Thursday	0.45833	0.79167	
Higgs & Hill	Thursday	1.9	1.95	
Holt Lloyd International	Tuesday	1.5	1.86667	
House of Lerose	Wednesday	1.83	3.43	
Hunting Petroleum Services	Wednesday	1.5	4.0	
Jerome (S.) & Sons Holdings	Tuesday	0.525	2.675	
Laing Properties	Wednesday	1.25	2.25	
Lesney Products	Friday	1.232	—	
Lilleshall Co.	Wednesday	1.0	2.5	
Minet Holdings	Monday	2.75	1.716	
Moss Bros.	Thursday	1.4	1.911	
Pickles (William)	Monday	0.2	—	
Richards (Leicester)	Tuesday	1.5	2.8	
Rockware Group	Wednesday	2.33	4.32	
Scottish Television	Friday	1.216	3.884	
Sears Holdings	Tuesday	0.7	1.3	
Silentnight Holdings	Tuesday	0.97	2.03	
Silkolene Lubricants	Monday	1.8712	6.58333	
United Carriers	Thursday	1.5	3.5	
Vosper	Wednesday	2.6	2.0	
INTERIM FIGURES				
Bestwood Co.	Friday			
Bruntons (Musselburgh)	Friday			
Emray	Thursday			
Irwin	Monday			
Holt (Joseph)	Wednesday			
News International	Wednesday			
Tate of Leeds	Thursday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ Includes non-recurring dividend of 0.5p.

BIDS AND DEALS

Another bid for Gough Cooper

BY ALAN FRIEDMAN

THE LONG saga of Gough Cooper, the housing estate developer and contractor which saw 29.9 per cent of its share snapped up in a dawn raid by Mr. Remo Dipre's private Starwest Holdings last July, seemed to be entering its final chapter last night.

Allied London Properties, a similarly-sized housing group, joined the board of Gough Cooper in announcing an agreed cash bid which values Gough at £11.4m

The bid, which supplants the unwelcome Starwest offer of 120p per share is for 145p per share in cash for each ordinary share of Gough Cooper. There is an alternative for shareholders of 145p nominal of 10½ per cent guaranteed unsecured loan notes 1985 for each ordinary share.

At yesterday's share price of 137p, Allied is capitalised at £14.5m. According to Mr. David Horne, spokesman for Allied, the cash offer is to be financed wholly from overdraft facilities at Lloyds Bank.

Mr. Horne said that the board of Gough Cooper had confirmed to Allied that the results before taxation and extraordinary items of the Gough Cooper group for the year to September 30, would be "no worse than the results published for the six months ended March 31."

This implies a full-year loss of no more than £655,000 before tax, after a break-even result showing in the second half of the year.

Allied has also announced its plans to maintain the business of Gough under its existing name, and has given assurances that the rights of management and employees will be safeguarded. Mr. John Boardman, chairman of Gough, is to join the board of Allied.

A spokesman for Gough said that the first approach from Allied came two weeks ago and that the bid offer from Starwest had been regarded as "unwelcome." Gough, he said, "never got around to giving it any formal answer."

Ten days ago Mr. Dipre requested additional information from Gough, but received what the spokesman described as "minor things such as the rent roll of an industrial estate in Dartford."

Yesterday it was also revealed that the directors, their families and certain other shareholders of Gough have given irrevocable undertakings to accept the Allied offer in respect of their holdings amounting to 1.5m shares, representing 19.2 per cent of total issued share capital. Allied already owns 2.3 per cent of Gough shares.

Mr. Horne, speaking for Allied, added that he expected that the condition of receiving more than 90 per cent of shares would be fulfilled. Referring to Mr. Dipre's 29.9 per cent holding, he said: "I would be very surprised if Mr. Dipre decided to come up with any higher offer."

JOHNSON MATTHEY

As a result of discussions with Charter Consolidated the directors of Johnson Matthey and Company say it appears that Charter is unlikely to be constantly changing the number of shares it holds in the group.

Charter is currently the only company which holds in excess of five per cent of the Johnson equity—as at September 30 the holding was 14,885,935 ordinary (28.07 per cent).

Johnson has therefore decided to let its quarterly arrangement of notification to the Stock Exchange lapse.

Sale terminates Rexmore's polypropolene activities

Rexmore has sold its polypropolene upholstery fabric-weaving equipment and plant in Blackburn to Armitage and Rhodes of Dewsbury for £400,000.

The disposal brings to an end Rexmore's involvement in the weaving of this type of fabric, which has adversely affected its trading results for five years.

The sale has been made through Rexmore's subsidiaries J. and J. A. Porter and Team Valley Fabrics and includes the right to use their names. Armitage has paid £100,000 and the balance is due in three equal instalments, the final payment being not later than April 1, 1982.

The book value of the tangible assets involved at August 31 was £420,000: Armitage is also buying the yarn stocks.

The supply of polypropolene fabrics will continue uninterrupted and no inconvenience will be caused to the customers of Porter and Team Valley.

The Blackburn site will continue to be occupied by Rexmore subsidiary New Mills Company (Manchester) which will carry on the conversion and supply to home and overseas customers of the new range of Antron velvets which have been developed over the past 18 months.

BTR TO ACQUIRE VACU-BLAST CORPN.

BTR has agreed to acquire Vacu-Blast Corporation of California for $2.75m (£1.15m), equivalent to $3.95 per share. *Completion is subject to approval* by Vacu-Blast shareholders at a meeting to be held in the latter part of November, but directors and shareholders holding 63.1 per cent of the shares have already undertaken to vote in favour of the transaction.

Vacu-Blast Corporation, which makes abrasive blasting equipment for a wide range of industrial markets and shot peening machines, has sales in excess of $8m. Vacu-Blast UK is already a wholly-owned subsidiary of BTR.

ENERGY FINANCE TAKES 20% IN OIL COMPANY

Energy, Finance and General Trust Holdings has acquired, for US$900,000, a 20 per cent interest in Transatlantic Oil Company which is 80 per cent held by Fernsar Limited Corporation.

The principal assets of Transatlantic is its 90 per cent holding in Sigma Resources Inc. It also has an option to buy the remaining 10 per cent of Sigma in three years time.

Sigma owns oil and gas interests, primarily in producing properties in the U.S. and *manages drilling funds on* behalf of a range of private investors. In addition it has a portfolio of reversionary interests entitling it to participate in oil and gas leases which it will earn after investors have received agreed levels of return.

Transatlantic plans to re-invest Sigma's substantial positive cash flow, supported by the new capital subscribed by Energy Finance, in further exploration and development of oil and gas prospects.

While the present operations of Transatlantic and its operating subsidiary are wholly in the U.S., it intends to extend the area of interest to the UK and other parts of the world as and when sound opportunities are available.

It has been agreed between Energy Finance and the principal vendor and Mr. Grant Heatzig, that, given a continuation of the current operating level and improving profitability, Transatlantic will, within 9-18 months, seek a quotation under *the provisions of the proposed* Unlisted Securities Market.

SYLTONE'S £0.35M U.S. EXPANSION

Through its subsidiary Drum Engineering Inc., Syltone has completed the purchase of certain business assets of Superior Industries Inc. of New Orleans, for U.S.$836,000 (£350,000) cash payable as to $200,000 on completion, $218,000 on October 15 and $418,000 at December 31, next year.

The assets consist of stock in *trade, work in progress,* product tooling, other equipment, patterns, drawings and materials relating to the business carried on by Superior in the manufacture, distribution and sale of pumps and ancillary equipment for the liquefied petroleum gas and petro-chemicals industries.

For the first year of trading immediately following completion, Syltone expects to continue using Superiors' existing plant and facility in New Orleans.

As soon as practicable, however, a new manufacturing facility will be constructed and equipped as an extension to the present premises of Drum at Louisville, Kentucky.

It is intended that this capital project and the present purchase of business assets will be financed by a term loan in the U.S. in the form of an industrial revenue bond, after the initial provision of short term bridging finance from bank sources.

The benefits accruing to the group are expected to be considerable in the longer term, Syltone says.

Ward White falls £0.8m with UK business hit

WITH ITS UK business adversely affected by lower activity and higher interest charges, pre-tax profits of Ward White Group, the footwear, engineering and safety products concern, showed a decline from £2.65m to £1.81m for the first half of 1980. Turnover, however, improved from £36.96m to £43.26m.

The group's footwear manufacturing and distribution divisions were particularly affected along with the engineering side, although safety products maintained a satisfactory level of profits despite some reduction in demand.

Mr. G. McWatters, the chairman, says that while the outlook for business activity in the UK *is not encouraging, the group* hopes to offset these adverse factors in part as a result of a rationalisation programme.

Also, the overseas companies are operating in a more favourable trading environment and the chairman is confident that the group will again be in a position to expand, given some real reduction in UK interest rates and an improvement in economic activity.

Interest charge for the half year soared from £372,000 to £832,000.

The group has undertaken a major programme to cut costs and reduce capacity in line with the revised projections for demand. This programme was completed in August and the benefits are expected to be shown in future trading results.

The rationalisation has *necessarily given rise to redun*dancies, the net costs of which will be charged as an extraordinary item. These are expected to amount after tax relief to £350,000, of which £27,000 net has been charged in the half year's results.

Tax for the period took £673,000 (£1.06m) and profits attributable to ordinary holders were down from £1.46m to £1.1m.

Earnigs per 25p share tumbled from 12.03p to 4.22p, but the net interim dividend is 1.4p, the same as last year's payment which included a special 0.08p. The 1979 final was 2.88p on £5.77m taxable profits.

The chairman reports that the overseas division performed well in the first six months, making an increased profits contribution over last year. The acquisition of the Childs Corporation in April helped in this respect and made a good net contribution, in spite of record interest rates in the U.S. earlier this year.

Recent acquisitions — Wedin Group, Sweden, and D. Lewis—are expected to make a useful contribution to group profits in 1980.

● comment

Raising $8m of debt a few weeks before prime hit 20 per cent wiped out a lot of the profit contribution that the Childs acquisition could have chipped in. As it was Childs probably added no more that £150,000 pre-tax. Not surprisingly at home retailer destocking hit the footwear manufacturing operation in the second quarter. The order intake dropped some 15 to 20 per cent by volume with the cheaper end, supplying non-branded shoes to the likes of BHS, being hardest hit. It was this part of the manufacturing operation which *recently* bore the brunt of 400 redundancies. Elsewhere the engineering division dropped back into the red and the tannery machinery business suffered worst of all. In the current half there are some very modest signs of improvement from footwear manufacturing and engineering. The safety products division continues to operate profitability but overall attributable earnings this year will probably be little better than £2m. The p/e at 54p is around 7 and the yield 12 per cent. Fully valued for present, but given Ward White's strong market position there is plenty of recovery potential.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
N. British Canadian int.	1.75	Nov. 3	1.5	—	4.25
F. C. Finance int.	nil	—	1.1	—	2.2
Ibstock Johnsen int.	1.5†	Nov. 19	1.5	—	4.5
Kwahu	1.84	Nov. 7	1.84	1.84	1.84
Lyle Shipping int.	4	Jan. 5	3.3	—	7.5
Nesco Invests. int.	3.5	Nov. 28	2.8	—§	6.3
Rand London Coal‖	4	Oct. 31	—	4	—
Rand London Corp.‖	13†	Nov. 21	8	13	11
Sanderson Murray	2	Nov. 17	2	2	2
Scottish Met. Prop.	2	Jan. 12	1.6	3.25	2.5
G. W. Sparrow int.	0.88	Nov. 28	0.8*	—	2*
Tanks Consd.¶ int.	4	Nov. 28	4	—	12
Triplevest Income int.	3.94	Oct. 31	3.18	—	7.21**
Ward White int.	1.4	Oct. 23	1.4‡	—	4.28‡

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes 0.08p special. § Second interim 3.5p forecast, payable about April 2. ¶ Gross throughout. ‖ South African cents gross throughout. ** Includes 0.9401p special

Building slowdown reduces first-half profits of Ibstock Johnsen

A SEVERE decline in housing starts in the U.S. and Holland and a £1m jump in interest charges have reduced first-half 1980 profits of Ibstock-Johnsen, brick-maker and woodpulp agent, to £851,049, compared with £1.26m, before tax. Turnover rose by 54 per cent to £28.92m.

The view expressed in the annual report that 1980 would be difficult in the short term and encouraging in the long term is being borne out, says Mr. P. Hyde-Thomson, the chairman. But the potential for greatly increased profits exists, and the speed with which this will be translated into better results will depend on how quickly trading conditions, particularly in the U.S., improve, he adds.

The interim dividend is held at 1.5p net on capital increased by the two-for-five rights issue—last year a total of 4.5p was paid from pre-tax profits of £4.68m.

The surplus is struck after interest charges of £1.61m (£651,804) and expenses of £366,146 (£229,405).

At the trading level, building products profits were up at £2.46m (£1.92m) despite losses in America of £292,313 (£147,131 profit) and a continuing but reduced deficit in Belgium of £330,653 (£699,301). UK profits rose 40 per cent to £2.96m despite increasingly difficult trading conditions.

Fibres division profits increased from £145,562 to £250,705 and investment income rose to £121,641 (£69,646).

Earnings per 25p share are shown as 2.53p (2.48p) after a lower tax charge of £147,000 (£712,535).

The recession in the U.S. building industry appears to have bottomed out, says the chairman, and although no boom can yet be anticipated, indicators appear to be marginally more favourable.

Economic uncertainties and sharp increases in interest rates have brought a severe fall-off in demand for houses, and therefore bricks, in Holland. In Belgium, the closure of a major loss-making brick plant has resulted in an extraordinary debit this time of £358,237 (£146,495), leaving an attributable surplus of £845,812 (£398,795), of which the interim dividend absorbs £417,010 (£297,865).

Negotiations for the sale of the Belgian interests are still progressing, says the chairman, and it is important that a resolution to this situation is reached before the winter. He has nothing further to report on the anti-trust suit being brought against the group by the U.S. Department of Justice following the merger of Marion and Glen-Gery.

A revaluation of the fixed assets of the UK brick division has resulted in a surplus credited to reserves of £12m.

● comment

Life is not exactly a piece of cake for UK brick manufacturers these days and Ibstock Johnsen is beginning a downward profits slide which could take it well beyond its one-third pre-tax decline at the interim stage. By the end of this year the company may produce as little as £2.5m pre-tax against £4.7m in 1979. The group has already added £5m to its net borrowings, bringing them up to £23m in late August and suggesting a capital gearing of 59 per cent. Meanwhile, with an addi*tional £1m of interest charges the* income gearing stands at an uncomfortable 65 per cent. Although UK earnings were up at the half-way stage, the U.S. operations fell £439,000 into a loss of nearly £300,000, the result of low U.S. housing starts and the costs of integrating U.S acquisitions. In Holland profits fell by 68 per cent and in Belgium the subsidiary remained in los, albeit at a lower level. With shares trading on a pro[illegible] pective fully taxed multiple [illegible] 14.5, the market seems to [illegible] wondering whether any pl[illegible] are afoot for a bid approach [illegible] premium p/e hardly seems [illegible] fied by the short-term ou[illegible] The possible yield is 10.3 p[illegible] on a maintained total [illegible]

Upsurge for Scot. Metro Property

REVENUE BEFORE tax of Scottish Metropolitan Property Company expanded from £1.99m to £3.27m in the year ended August 15, 1980.

The dividend is stepped up from 2.5p to 3.25p with a final of 2p and the directors propose to make a one-for-five scrip issue. In view of the continuing growth in earnings, they say they expect to recommend at least the same rate of dividend for the current year on the increased capital.

The surplus included net *revenue from properties* of £4.31m (£3.61m) and investment income and interest received of £1m (£341,480) and was struck after interest charges of £1.7m (same) and expenses of £339,368 (£256,577).

Earnings, after tax of £1.56m (£890,857), are shown up from 3.18p to 4.32p.

The book value of the group's properties at the year end was £66.04m (£64.72m) and capital reserves stood at £50.82m (£48.32m).

NCC Energy reorganises

In addition to the acquisition of further gas interests in the U.S., NCC Energy, Mr. Graham Ferguson Lacey's energy investment vehicle, also announced a reorganisation of the shareholdings in Bernard Wardle and Energy Capital. On completion of the deals—which involves the acquisition of shares in both companies by NCC—Mr. Lacey will control a maximum 42.77 *per cent of the NCC capital.*

At the same time Bernard Wardle has announced results for the first 39 weeks of 1980 showing a loss before tax of £2.53m. This compares with a profit of £575,000 for the first 26 weeks of 1979 and a profit of £909,000 for the whole of that year. There is no interim dividend.

Under the reorganisation NCC has agreed to acquire 2,002,000 (28.6 per cent) ordinary shares in Energy Capital, the former Hamilborne brickmaking company which was transformed *earlier this year following* the injection of substantial uranium gas and oil interests. Of these shares 1.95m are to be acquired from Birmingham and Midland Counties Trust, a company in which Mr. Lacey (the chairman of NCC) has a substantial interest. The balance is to be acquired from Mr. G. J. Ward, the chairman of EC, who is also a director of NCC.

The company says that the acquisition of the holding in EC will have three main advantages: first NCC will be acquiring a substantial indirect interest in energy prospects; secondly, combined with the acquisition of Wardle it will result in Mr. Lacey's holding in NCC being his only substantial interest in a publicly quoted company; and thirdly the risk of serious difficulties arising between the Boards of NCC and EC as a result of Mr. Lacey's *substantial personal* shareholding in EC will be removed. Dealings in the EC shares resumed yesterday and they closed the day at 91p compared with a suspension price of 92p.

At Wardle, NCC has agreed terms for an offer by Bank Brussels Lambert (UK) to acquire all the Wardle ordinary shares not already owned by a subsidiary of NCC. The terms are 5 ordinary units of NCC for every 14 Wardle shares. The NCC shares—in which dealings also resumed yesterday—closed at 68p *valuing the Wardle shares* at about 24p per share. Wardle rose 7p to 31p.

There is also a cash offer on behalf of Ferguson Investments, a company controlled by Mr. Lacey and Mr. R. C. McBride to purchase all, or any of the new NCC units falling to be allotted under the offer at 92.4p per unit. This is equal to 33p for each Wardle share.

A subsidiary of NCC owns 1.95 per cent of the capital of Wardle. Ferguson Investments and London Trust Company, which own 83.85 per cent and 5.58 per cent respectively of the Wardle shares have irrevocably undertaken to accept the offer for their holdings and not to accept the cash offer. Ferguson has also undertaken to waive 20 per cent of its entitlement to the new NCC units to be issued.

The NCC directors believe that *Wardle* has good recovery prospects and has the potential to provide the NCC group with useful additional UK income, despite the nine month loss.

In their interim statement the directors of Wardle point out that the results include non-recurring *costs* in respect of rationalisation and start up costs, connected with integrating the business purchased in 1979 from Revertex. These total costs are estimated at £500,000.

McKECHNIE BUYS EVER READY TOOL

McKechnie Brothers has acquired Ever Ready Tool and Engineering Company and Ever Ready Plastics Company, for a total of £330,000 satisfied by £248,078 in cash and the issue of 79,536 ordinary shares.

Ever Ready is a specialist tool manufacturer and plastic moulding company based in Romford, Essex.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Associated Newspapers and Express Newspapers are to merge the two loss-making London evening newspapers, which in effect means the closure of the Evening News. A new company—the Evening Standard Limited—will be formed with Associated and Express each holding a 50 per cent stake. The Express Group bought the Evening News title for a nominal sum, while Associated bought the 50 per cent holding in the Evening Standard for an undisclosed cash amount.

The Monopolies Commission cleared the way for Blue Circle to renew its bid, worth around £30m, for Armitage Shanks, the bathroom fittings company. Blue Circle's original offer lapsed after the monopolies reference, with the group controlling just over 60 per cent of Armitage's equity.

Aitken (English) offered to buy all the ordinary shares in Aberdeen Investments at 100p per share, but the latter's Board recommends shareholders to take no action until it has received the offer document. Then it will issue a circular setting out its views and recommendation.

Bass and Whitbread merged their soft drinks interests to create a joint company, Britannia Soft Drinks, owned 65 per cent by Bass, whose leading soft drinks brand is Canada Dry, and 35 per cent by Whitbread, which vends the R. White and Rawlings brands.

Laird Group, the heavy engineering company, in its first major U.S. venture, purchased New York Twist Drill Corporation for $52.5m (£22m), while Thomas Tilling, the industrial holding group, recently involved in rapid U.S. expansion, turned its attention back to the UK with the £12.4m acquisition of two privately-owned sand quarrying companies, Hinkleys and Sevenoaks Brickworks.

Specialist textile concern Readicut is paying up to £2m maximum for the business of Snappies, a leading manufacturer of kitchen products which, together with its parent company, Empress Products, went into receivership last July

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Aberdeen Invs.	100*	102	86	2.00	Aitken (English)	—
Christy Bros.¶¶	30*	39	33	0.60	Simon and Coates	—
Coral Leisure	98	91	65½††	82.68	Grand Met.	—
Eng. & O'seas Inv.	17	15½	14½††	1.75	Pentos	—
Gough Cooper	120*§	127††	102	6.65	Starwest	—
Gough Cooper	145*§	127††	127††	11.14	Allied London Properties	—
Kayser Bondor	100*§	45	56	0.67	Courtaulds	—
Kean and Scott	20*‡	93	31	0.36	Hwly. Leisure	—
Laurence Scott	65§	68	60	4.45	Mng. Supplies	—
Le Bas (Edward)	85*	82	53††	2.13	Burch Hldgs.	—
Lidstone	280*	305	290	0.51	Security Exchange	—
Macanie (Lond.)	30*	30	23	0.38	Courtaulds	—
Marshall Cavendish¶¶	31*	31	27	4.60	Times Publishg. Berhad	—
Progressive Secs.	113†‖	106	91	2.53	Hawley Leisure	6/10
Revertex	51½§	44	44	7.33	Yule Catto	—
Tanjong Tin	115*§	120	115	1.20	Pahang Cons.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 3/10/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ‖ Based on NAV of 105.9p.

Rights Issue

A. F. Bulgin: Rights issue on the basis of one new "A" non-voting ordinary for every six ordinary and/or "A" non-voting ordinary at 27p to raise £1.02m.†

† Approximate figures before expenses.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Alpine Holdings	Aug.	271	(1,060)	2.28	(2.28)
Anchor Chemical	June	267	(350)	2.38	(2.38)
Arden & Cobden	June	94	(117)	—	(—)
Arncliffe Hldgs.	April	158	(338)	1.12	(1.12)
Arrow Chemicals	June	203L	—†	—	(—)
Beauford	June	215	(339)	0.7	(1.4)
Beaumont Props.	March	767	(654)	1.5	(1.5)
Boustead	June	1,380	(1,190)	0.5	(0.42)
Brent Chemicals	June	1,520	(1,450)	0.75	(1.0)
British Enkalon	June	2,940L	(531)L	—	(—)
Bulgin (A. F.)	July	611	(683)	0.58	(0.58)
Bunzl Pulp	June	6,020	(8,180)	4.21	(3.83)
CAMRA	July	21	(12)	—	(—)
Comfort Hotels	July	730	(1,120)	0.2	(0.18)
Currys	July	4,490	(4,570)	1.5	(1.2)
Dinkie Heel	June	129	(165)	0.25	(0.25)
Downiebrae	June	207	(293)	0.9	(0.9)
Duncan Goodricke	June	400	(199)	—	(—)
Energy Services	June	708	(611)	0.3	(0.25)
First Castle	Aug.	202	(154)	0.72	(0.6)
Foseco Minsep	June	9,440	(9,230)	2.65	(2.65)
Gates (Frank G.)	June	736	(966)	—	(—)
Hiltons Footwear	July	200	(487)	1.3	(1.3)
J. B. Holdings	June	1,000	(860)	1.5	(1.5)
Jefferson Smurfit	July	9,440‡	(8,630)‡	2.81	(2.81)
Laing (John)	June	1,460	(5,010)	1.0	(1.0)
Lndn. Continental	June	141	—†	—	(—)
Maclellan (P&W)	June	56	(64)	0.5	(0.5)
Metalrax	June	1,070	(1,147)	0.82	(0.75)
Midland News	June	1,600	(1,380)	—	(—)
Minty	July	117	(171)	3.0	(3.0)
Owen Owen	June	387L	(210)L	1.0	(1.0)
Pitney Bowes	June	2,770	(1,330)	—	(—)
Provincial Ins.	June	2,840	(610)	7.5	(6.37)
Reed (Austin)	Aug.	370	(1,310)	0.9	(0.9)
Revertex Chems.	June	966	(1,280)	—	(1.17)
R.M.C.	June	21,520	(15,210)	3.7	(3.35)
Royco Group	June	2,450	(2,570)	1.5	(1.5)
Solicitors Law	June	70	(358)	—	(0.75)
Sumner (Francis)	June	229	(322)	0.35	(0.55)
Supra Group	May	261	(405)	0.75	(0.67)
Swire (John)	June	10,000	(13,500)	—	(—)
Thomson T-Line	June	126L	(23)L	—	(1.75)
Tioxide Group	June	6,290	(5,630)	—	(—)
Tomatin Distills.	June	77L	(479)	—	(1.0)
Walker (C. W.)	Aug.	422L	(340)	—	(1.35)
Waterford Glass	June	4,500	(5,110)	0.6	(0.6)
Watmoughs	June	625	(555)	1.5	(1.3)
Waverley Camrn.	June	81	(115)	—	(—)
Whatman Reeve	June	255	(476)	1.6	(1.6)
Wolstenholme Rk.	June	740	(901)	2.5	(2.5)

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
A.A. Asphalt	Mar.	562L	(77)L	—	(—)	2.13	(2.13)
Adwest Group	June	8,290	(8,830)	28.4	(35.5)	7.43	(6.75)
Atlantic Intl.	June	1,030	(1,140)	—	(—)	—	(—)
Banks (Sidney C.)	April	867¶	(711)	22.2	(25.8)	5.25	(4.5)
Beckman (A)	June	957	(2,220)	4.4	(10.3)	5.73	(5.73)
Capseals	June	1,910	(1,830)	12.5	(11.6)	3.3	(3.0)
Charterhall	June	58L	(176)L	—	(—)	—	(—)
Cope Allman	June	11,150	(11,780)	20.9	(19.7)	4.59	(4.5)
Deltight Inds.	April	316	(515)	12.6	(11.1)	3.0	(—)
Electronic Machn.	April	114	(70)	4.2	(1.8)	—	(—)
Halstead (James)	June	1,520	(1,660)	10.0	(10.0)	2.4	(2.0)
Home Farm	May	703	—†	7.2	(—)	1.75	(—)
Ingall Inds.	June	435	(438)	3.7	(3.5)	2.27	(2.06)
Lyles (S.)	June	592	(963)	6.7	(14.4)	5.5	(5.5)
Macallan Glenlvt.	July	432	(502)	18.4	(22.4)	6.49	(5.90)
Mitchell Cotts	June	9,016	(7,157)	6.6	(6.2)	3.61	(3.61)
Parker Knoll	July	3,580	(2,530)	29.0	(19.4)	7.0	(5.0)
Ratcliffe (F. S.)	April	193	(106)	11.0	(5.7)	5.25	(5.25)
Saint Piran	March	2,814	(4,151)	14.3	(15.9)	2.0	(2.5)
Sharpe (Charles)	June	379	(588)	76.7	(79.0)	27.5	(27.5)
Star Offshore	Mar.	3,910L	(1,380)L	—	(—)	—	(—)
Walker (Thomas)	June	165	(232)	1.3	(1.8)	0.75	(0.93)
Yorkgreen Inv.	April	120	(93)	1.9	(1.4)	0.22‖	(0.44)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † No comparative figures. ‡ In IR£. ¶ Pre-tax profits for eleven months. ‖ Interim dividend.

MINING NEWS

Tanks hit by Elbar loss

BY KENNETH MARSTON, MINING EDITOR

FIRST HALF results of Tanks Consolidated make a mixed showing. On the one hand dividend and interest income is higher (the income from the holding of Union Miniere is credited in Tanks' second half results) while there is also a healthy profit from investment activities compared with a loss last time.

On the other hand, the important Elbar industrial group has run into losses. The net result is a half-year net profit for Tanks of £188,833 against £217,869 for the same period of last year. The interim dividend is maintained at 4p gross.

	Six months to June 30 1980 £	1979 £
Dividends and Int.	674,282	533,779
(Loss)/profit from Elbar	(377,654)	869,568
Profit/(loss) on invests.	270,133	(84,149)
Loss on explorat'n	(77,577)	(326,960)
Profit on other activities	30,750	—
Making	519,934	992,238
Gen. and admin. expenses	261,576	211,464
Profit before tax	258,358	780,774
Tax	69,525	562,905
Profit after tax	188,833	217,869
Minority interests	110,270	(129,799)
Div. on pref. shares	(57,485)	(61,489)
Attributable to ord. holders	241,618	26,581
Earnings per share	1.41p	0.15p
Interim dividend	4p	4p

In London yesterday the rather uninspiring results left the price of Tanks 6p down at 324p. At this level the shares still offer a modest dividend yield of under 4 per cent because they contain the speculative appeal of the company's stake in North Sea oil and gas exploration and in the Ashton diamond prospect in Western Australia.

Rand London

SOUTH AFRICA'S Rand London Coal which produces coking coal and anthracite intends to broaden its overseas markets and increase its products range, said Mr. Bernard Holtshousen, chairman, in his annual report.

The company, he said, was confident of increasing its share of the domestic market and obtaining an improved export allocation was a prime objective. Opencast operations have started at the New Zoetmelk property and a study is being prepared for an underground mine. The seam width averages 1.5 metres.

Rand London has been awarded a five-year export allocation through Durban for 300,000 tonnes of anthracite a year. It has also been granted an allocation of 100,000 tonnes for this year and it is envisaged, states the company, that the additional allocation will continue while anthracite markets are strong in Europe and the Far East.

The company is also seeking additional allocations for exporting.

Rand London has also now embarked on gold and uranium explorations and has taken up mineral options in the Western Transvaal.

CORAL INDEX: Close 476-481 (unchanged)

Mid-year loss at F.C. Finance

AFTER a £1.45m jump in interest charges to £4.74m, Co-operative Bank subsidiary F. C. Finance has turned round from pre-tax profits of £410,000 to losses of £440,000 in the first half of 1980.

The interim dividend is omitted—last year's midway payment was 1.1p and the total for 1979 2.2p from profits of £430,000 (£1.83m).

The loss per share is shown as 6.7p (5.4p earnings) after tax charges of £11,000 (£15,000). Turnover rose from £29.43m to £32.69m.

The balance sheet shows hire purchase and instalment credit of £62.47m (£49.63m) less unrealised finance charges of £8.34m (£6.6m), equipment in the hands of lessees £8.75m (£8.37m) and loans of £15.34m (£15.09m). Land held for development and work in progress of £4.7m (£6.89m) brings the total to £82.91m (£73.38m).

Abbey sees below-budget first half

Recent acquisitions at Abbey, Dublin-based housebuilding and property development group, were performing well but the international recession indicated a below-budget first half, Mr. James Gallagher, chairman, told the annual meeting.

The group, which achieved record profits of £4.8m for 1979/80 on a turnover over the £50m mark for the first time—half of turnover is in the UK—acquired E. G. M. Cape (UK) and the assets of G. C. Power Tools since the year end.

The chairman said that both companies were performing well up to expectations and would make positive contributions to the current year's profits.

In the longer term the chairman was confident of the good commercial sense in both of these decisions.

Hampson warns of downturn

Mr. John M. Wardle, the new chairman of HAMPSON INDUSTRIES, told the annual meeting that the group was continuing to make profits but he could not realistically believe that the current year's results would match those of last year.

"This will be a purely temporary set back and we are all sure that the company will continue to grow," he added.

SHACKLETON'S GAS FIND IN CANADA

Shackleton Petroleum announced yesterday that the Czar Summit Manito 13 3-42-W4M well in South Central Alberta, in which Shackleton has a 6.5 per cent working interest, flowed gas in commercial quantities from five separate zones. Oil was tested from another zone.

Drill stem tests of three zones flowed gas at rates of 4.5m cubic feet a day, 3.6m cubic feet a day and 1.8 cubic feet a day. The oil flow rate was not given.

The well is estimated to contain recoverable reserves of 12bn cubic feet of gas and 176,000 barrels of oil. Gas production capacity is estimated to be in excess of 10m cubic feet a day.

Shackleton and its partners control 3,840 gross acres immediately offsetting the location.

SPAIN

October 3	Price %	+ or −
Banco Bilbao	250	
Banco Central	280	+2
Banco Exterior	217	
Banco Hispano	233	−3
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	281	
Banco Urquijo	136	
Banco Vizcaya	258	
Banco Zaragoza	248	
Dragados	116	
Espanola Zinc	71.5	
Fecsa	65	
Gal. Preciados	32	−0.5
Hidrola	69.5	
Iberduero	68	+0.3
Petroleos	118	+0.5
Petroliber	88.5	
Sogefisa	102	
Telefonica	63.7	
Union Elect.	69.2	−0.5

Sanderson Murray continues its recovery with £42,000 for year

AFTER RECOVERING from losses of £4,000 to pre-tax profits of £31,000 at midway, Sanderson Murray and Elder (Holdings) finished the year to June 30, 1980 with a taxable surplus of £42,067, against a deficit of £10,737 previously.

The directors say the group, which is engaged in woolcombing, processing of man-made fibres, topmaking and merchanting, is facing the worst recession the industry has known for many years.

But by attention to economy of operating costs, improved plant activity and the benefit of new equipment, the group intends to make progress in these changed circumstances.

Turnover for the year climbed from £4.2m to £4.82m, with sales volume 8 per cent higher.

Pre-tax profits were struck after higher depreciation of £89,568 (£69,010) and net bank interest of £26,969 (£6,941 credit). There was a surplus on disposals of machinery of £1,004 (£1,634) and investment income improved from £45,099 to £48,275.

Tax charge was similar at £16,675 (£16,837) and after minorities, attributable profits were £24,525 (£28,441 losses).

Earnings per 50p share are stated at 1.3p, against a 1.5p loss, and the net dividend is unchanged at 2p, again costing £38,000.

CHAMBERS & FARGUS

Mr. Harvey Michael Ross has has increased his holding in Chambers and Fargus, seed crusher and edible oil refiner, to 318,000 shares, representing 8.9 per cent.

Dunford & Elliott in loss

Lonrho subsidiary Dunford and Elliott, the steelmaking, forging and engineering group, fell back into loss in the first half of 1979/80 following the recovery to profit in the second six months of the previous year.

For the half year to March 31, 1980 there was a pre-tax loss of £709,000, compared with £902,000 for the same period of 1978/79. The full time deficit last time was reduced to £144,000.

Mid-year turnover was ahead from £46.66m to £49.94m.

The half time figure was struck after interest of £1.71m. (£1.51m). With tax taking £347,000 (£70,000) the net loss was pushed up to £1.06m (£972,000).

Minorities were £299,000 (£50,000) but there was no extraordinary debit this time (£353,000).

UK BASE FOR RISDON CORPN.

To increase its capability to serve European cosmetic manufacturers, Risdon Corporation, a leading U.S. decorative containers and package components supplier, is spending over $8m on establishing a company in the UK and plans to spend double that figure on expansion in England over the next five years.

Mr. Joseph Zimmermann, president and chief operating officer, says the investment, which will result in the formation of the new company, called Risdon Metal Products in Blackburn, includes acquisition of MEC Pressings of Blackburn, purchase of machinery from Betts of Colchester and establishment of a new decorating and assembly plant in Blackburn.

Howard Shuttering optimistic

Another successful year is looked forward to by Howard Shuttering (Holdings), Mr. J. A. Howard, chairman, tells members in his annual review.

All the companies in the group, which carries out formwork and shuttering for the building trade, and offers a plant hire service, traded profitably during the April 30, 1980 year. The increased contribution from plant hire fully justified the capital expenditure on new depots and plant in recent years, Mr. Howard states.

The chairman adds that the framework, concrete structures and joinery divisions all traded profitably, "but on small margins due to considerable competition for available contracts."

Meeting, George Inn, Morden, Surrey, on October 20, at 10.30 am.

EUROPEAN FERRIES RAISES £23.5M BY VENDOR PLACING

European Ferries has raised the agreed consideration of £23.25m for a 92.5 per cent stake in Singer and Friedlander through a vendor placing which will enlarge its equity by a sixth.

Following confirmation from the Office of Fair Trading that the acquisition of the merchant bank will not be referred to the Monopolies Commission, S. G. Warburg and Kleinwort Benson have placed 15.76m new European Ferries shares at 150p per share. This represents a 7½ per cent discount on the prevailing price although the shares climbed 2p yesterday to 165p.

Brokers to the placing were Hoare, Govett and Hall, Graham, Bradford. Dealings are expected to start on October 9. The new shares will not rank for the interim dividend in respect of the year ending December 31.

LONDON TRADED OPTIONS

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	300	110	5	115	20	—	—	406p
BP	330	80	5	92	—	108	—	"
BP	360	50	48	72	1	82	—	"
BP	390	22	240	50	109	62	2	"
BP	420	8	83	—	—	—	—	"
Cons. Gold	500	141	2	165	—	183	—	638p
Cons. Gold	550	91	4	123	—	140	—	"
Cons. Gold	600	41	29	85	12	107	7	"
Cons. Gold	650	12	45	60	32	80	15	"
Courtaulds	50	9½	—	12	—	15	4	58p
Courtaulds	60	3½	5	7	—	9	—	"
Courtaulds	70	¾	—	3½	10	6	22	"
GEC	550	6	50	32	42	52	—	512p
Grand Met.	140	14	20	22	10	27	—	152p
Grand Met.	160	2	2	10	—	16½	3	"
ICI	360	3	6	20	1	26	—	340p
ICI	390	¾	5	11	—	16	—	"
Land Secs.	353	32	15	57	—	—	—	380p
Land Secs.	390	9	—	34	14	49	—	"
Land Secs.	420	1½	41	19	—	33	—	"
Marks & Sp.	90	16½	16	19	—	24	—	105p
Marks & Sp.	100	6½	25	12½	10	17	15	"
Marks & Sp.	110	2	15	7	36	12½	—	"
Shell	390	30	12	56	—	74	—	416p
Shell	420	12	10	38	10	54	—	"
Shell	460	5	5	20	6	28	—	"
Totals			590		311		68	
		November		February		May		
Imperial Gp.	80	4	8	8	—	11½	50	77p
Imperial Gp.	90	1	5	4½	—	5½	—	"
Lonrho	94	20	8	29	—	—	—	115p
Lonrho	104	12½	4	22	1	—	—	"
Lonrho	114	6½	56	15	6	—	—	"
Lonrho	120	3½	20	9½	20	16	—	"
P. & O.	110	12	2	16	—	—	—	116p
P. & O.	130	3	—	6½	4	11	—	"
RTZ	454	20	1	43	—	60	—	445p
RTZ	494	7	9	25	—	43	—	"
Totals			113		31		50	

F.T.-ACTUARIES SHARE INDICES

QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at September 30, 1980, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses denote number of stocks)	Market capitalisation as at Sept. 30, 1980 (£m.)	% of all share index	Market capitalisation as at June 30, 1980 (£m.)	% of all share index	Market capitalisation as at Mar. 31, 1980 (£m.)	% of all share index
1 CAPITAL GOODS GROUP (171)	12,200.8	14.92	10,871.0	14.41	9,811.0	14.61
2 Building Materials (28)	2,284.9	2.79	2,177.3	2.89	1,956.6	2.91
3 Contracting Construction (27)	1,031.6	1.26	913.5	1.21	870.9	1.30
4 Electricals (17)	4,618.1	5.65	3,671.1	4.86	3,160.0	4.70
5 Engineering Contractors (11)	380.3	0.47	345.6	0.46	305.1	0.46
6 Mechanical Engineering (72)	2,722.3	3.33	2,580.2	3.42	2,373.8	3.54
8 Metals and Metal Forming (16)	1,163.6	1.42	1,183.4	1.57	1,143.6	1.70
11 CONSUMER GOODS (DURABLE) GROUP (48)	3,123.1	3.82	2,909.0	3.86	2,727.3	4.06
12 Lt. Electronics, Radio, TV (14)	2,345.8	2.87	2,090.1	2.77	1,881.8	2.80
15 Household Goods (13)	126.0	0.15	144.6	0.19	152.0	0.23
14 Motors and Distributors (21)	651.3	0.80	674.3	0.90	693.5	1.03
21 CONSUMER GOODS (NON-DURABLE) GROUP (171)	19,025.6	23.27	17,895.3	23.72	16,410.2	24.44
22 Breweries (14)	2,215.4	2.71	2,227.6	2.95	2,022.1	3.01
23 Wines and Spirits (5)	975.6	1.19	909.7	1.21	890.1	1.32
24 Entertainment, Catering (17)	1,613.9	1.98	1,593.9	2.11	1,368.3	2.04
25 Food Manufacturing (22)	3,371.0	4.12	3,133.6	4.15	2,449.4	3.65
26 Food Retailing (13)	1,425.3	1.74	1,198.1	1.59	1,451.6	2.16
32 Newspapers, Publishing (12)	237.5	0.29	308.4	0.41	272.4	0.40
33 Packaging and Paper (15	885.7	1.08	902.3	1.20	856.4	1.28
34 Stores (44)	6,004.9	7.35	5,360.8	6.98	4,946.6	7.37
35 Textiles (21)	658.9	0.81	749.3	0.99	685.9	1.02
36 Tobaccos (3)	1,611.5	1.97	1,587.6	2.10	1,440.6	2.15
37 Toys and Games (5)	25.9	0.03	24.0	0.03	26.8	0.04
41 OTHER GROUPS (98)	9,874.5	12.08	10,127.5	13.43	9,205.5	13.71
42 Chemicals (16)	3,402.8	4.16	3,501.4	4.64	3,189.7	4.75
43 Pharmaceutical Products (7)	1,819.7	2.23	1,710.0	2.27	1,543.6	2.30
44 Office Equipment (6)	534.0	0.65	590.4	0.78	584.4	0.87
45 Shipping (10)	683.7	0.84	678.4	0.90	659.7	0.98
46 Miscellaneous (59)	3,434.3	4.20	3,647.3	4.84	3,228.1	4.81
49 INDUSTRIAL GROUP (488)	44,222.0	54.09	41,802.8	55.42	38,154.0	56.82
51 Oils (12)	12,657.7	15.48	11,494.3	15.24	10,139.8	15.10
59 500 SHARE INDEX	56,879.7	69.57	53,297.1	70.66	48,293.8	71.92
61 FINANCIAL GROUP (118)	15,640.8	19.13	13,718.8	18.19	11,698.8	17.42
62 Banks (6)	3,596.0	4.40	3,367.4	4.46	2,927.2	4.36
63 Discount Houses (10)	182.8	0.22	164.9	0.22	131.6	0.20
64 Hire Purchase (5)	312.5	0.38	301.1	0.40	252.9	0.37
65 Insurance (Life) (10)	1,921.0	2.35	1,537.6	2.04	1,214.9	1.81
66 Insurance (Composite) (9)	3,373.9	4.13	2,787.6	3.69	2,335.8	3.48
67 Insurance Brokers (9)	684.4	0.84	645.1	0.86	748.6	1.11
68 Merchant Banks (13)	759.3	0.93	600.2	0.80	476.8	0.71
69 Property (45)	3,981.2	4.87	3,517.5	4.66	2,991.7	4.46
70 Miscellaneous (11)	829.7	1.01	796.4	1.06	619.2	0.92
71 Investment Trusts (109)	4,843.1	5.93	4,369.0	5.79	3,665.8	5.46
81 Mining Finance (3)	2,329.3	2.85	2,384.9	3.16	1,884.1	2.81
91 Overseas Traders (20)	2,062.6	2.52	1,661.3	2.20	1,606.9	2.39
99 ALL-SHARE INDEX (750)	81,765.5	100	75,431.1	100	67,149.3	100

WORLD STOCK MARKETS

Early firmness on Wall St.

PRICES EDGED higher over a wide front in active trading on Wall Street yesterday, aided by expectations the Banking Report, due later in the day, will show Money Supply declined.

By 1 pm the Dow Jones Industrial Average was up 4.26 to 946.50, making a net rise of 6.40 on the week. The NYSE All Common Index, at $74.50, gained 54 cents on bte day and $1.51 on the week, while advances led declines by a nine-to-four majority. Trading volume expanded 4.59m shares to 37.11m, compared with 1 pm on Thursday.

A drop in the Money Supply would ease pressure on the Federal Reserve to tighten credit further.

The Stock Market was aided early on by news that Wholesale Prices fell 0.2 per cent in September. But the Labor eDpartment later said the drop resulted from a change in the calculation of the Index.

A *number of Blue Chips* recorded small gains. General Motors rose $¾ to $52¼, U.S. Steel $¼ to $21¼, General Electric $⅝ to $53⅞, Procter and Gamble ⅞ to $72⅜ and General Foods $¼ to $30¼.

Computer and High Technology issues were strong. Active IBM gained $1 to $66⅞, Honeywell $1⅜ to $88½, Hewlett-Packard $2⅛ to $78½, Control Data $1⅝ to $70¼ and Computervision $4 to $65.

Precious metals were weak, while Oils were mixed after their recent gains, as were Defence issues.

Among the active issues, Atlantic Richfield added $⅞ at $57⅞ and Mobil $¼ at $73⅛, but Exxon eased $⅜ to $73.

THE AMERICAN SE Market Value Index put on 0.34 to 339.45, making a rise of 4.99 on the week, although the trading volume decreased 404,000 shares to 3.32m.

Computer and Health Care issues were strong. Health-Chem rose $1 to $14⅞ and Beverly Enterprises $⅜ to $18⅜ in active trading. Syntex improved $⅞ to $55¼.

Active Matrix jumped $3¼ to $32⅞ and Wang Laboratories "B" $2⅞ to $61⅞. Amdahl moved up $⅜ to $30⅞ and Timeplex $1⅞ to $26.

Closing prices for North America were not available for this edition.

Canada

Markets were lower in moderate trading around noon yesterday, when the Toronto Composite Index fell 8.6 to 2,273.3 and nine of 14 sub-indices declined.

The Gold Share Index lost 83.0 to 5,875.7, Oil and Gas 36.1 to 4,616.6 and Banks 1.63 to 371.36. Papers, however, rose 1.40 to 201.02, Utilities 0.48 to 272.03 and Metals and Minerals 1.9 to 2,374.2.

Royal Trustco "A" dipped $¼ to $17⅜ on light volume—Campeau has abandoned its take-over bid for the company after failing to receive majority control.

Real Estates and Constructions eased on higher interest rates.

Australia

Share prices were mixed on the eve of the Labor Day weekend, as attention was concentrated on a handful of special situations.

Aided by Peko-Wallsend's prime role in a sasol-type oil-from-coal project at Mill-Merran in Queensland, Peko shares rose 30 cents to a record A$12.10, with buyers willing to pay A$12.20 at the close. Oil Co. Australia, which is involved in the deal, gained 8 cents to 50 cents.

Another popular stock Amber *Gold*, which when queried by its Home Exchange, Adelaide, reported that it had assumed options over some gold leases on the Mount Marget Gold Fields, near Leonora, Western Australia.

Elsewhere, Gold Mines traded erratically but Base Metal leaders were generally firm.

Shale Oils eased back somewhat but Conventionals held steady.

BHP, which increased its interim payment, led Industrials with a 20 cents rise to a 10-year high of A$16.15.

CSR shed 2 cents to A$7.24, despite announcing that it had secured a A$128m loan for its part in the Tomago aluminium project.

Tokyo

The Stock Market Average rose *22.84 to close at a record* 7,142.24 in fairly active trading — 320m shares — bolstered by persistent foreign demand for "big-capital" issues.

Steels, *Heavy Electricals* and Shipbuildings led the gains on active foreign buying.

Mitsubishi Electric, whose framework of foreign ownership of its shares was expanded to 30 per cent, rose Y8 to 239.

Electricals were generally higher after a minor setback in recent days, with Sony up Y20 to 3150. Matsushita Electric Y23 to 846, and Sharp Y29 to 676.

But Oils, Coals, some front-running Pharmaceuticals and *speculatives* were lower on profit-taking.

Hong Kong

Generally firm in quiet trading, due to a strong market rumour *Jardine Matheson, up 40 cents at* HK$25.2, and Hong Kong Land, up 20 cents at HK$18, would announce a weekend bid for the Wheelock Marden Group.

However senior brokers and well placed *market sources* discounted the rumour.

Dealers said stocks declined to the day's lows in the morning with the Hang Seng Index falling 9.04, on news Citibank had raised the U.S. Prime rate to 14 per cent.

But they recovered later as estimates of the expected weekend rise in Local Prime hardened at one per cent from Thursday's estimates of between 1½ and 2 per cent.

Singapore

Prices rose fractionally in fairly quiet trading.

Tins improved, but Properties, Banks *and Plantations* were mixed.

Some Malaysian concerns posted gains on special situations, with major controlling holders buying stock.

Germany

Leading shares closed below their highs of the day, with the Commerzbank Index up 4.6 to 730.90.

Lively turnover in the first hour of trading trailed off towards the close, with the early buying sentiment stemming from hope of easier Bundesbank credit policies.

Banks, which benefited from a slightly firmer Domestic Bond Market, were led up DM 1.60 by Deutsche Bank.

BMW gained DM 1 in higher Motors.

On the Domestic Bond Market, Public Authority Loans gained as much as 0.50 points and the Bundesbank sold DM 47m net of stock.

Paris

French shares were again in demand in a busy pre-weekend session.

Observers said investors had been encouraged by the overnight buoyancy of Wall Street *and also reports* that Saudi Arabia intends to increase its oil output to offset the fall in supply caused by the Iran-Iraq conflict. Also helping sentiment was the second quarter-point cut in the French Call Money Rate in as many days.

Electricals were weak, despite the market's generally firm tone, while Constructions, Mechanicals and Portfolios were mixed.

Among Foreign shares, U.S. stocks, Germans and Gold Mines were steady to firm, while Coppers and Dutch issues were mixed.

Brussels

Generally higher in active trading.

An analyst said the market was nervously awaiting the outcome of Budget talks that threatened to bring down the Government of Prime Minister Wilfried Martens.

INTERNATIONAL COMPANIES and FINANCE

Kloeckner-Werke moves out of the red

By Our Financial Staff

KLOECKNER-WERKE, the third largest steelmaker in West Germany, has moved out of the red but is nonetheless being forced to plan for a high level of short-time working.

Against net losses of DM 25.6m ($14m) in fiscal 1979, the company reports a zero result for the year ended September 1980. Sales improved by 11 per cent to DM 6bn from DM 5.4bn.

However, Kloeckner makes no bones about the continuing weakness of demand. From the middle of December it will put a total of 7,000 on short-time working

Kloeckner has just emerged from a major capital reorganisation. The losses of 1978-79 left the company with an accumulated balance sheet deficit of DM 210m and as a result capital was halved and subsequently restored via a DM 235m injection of new funds.

Last year capital investment by the company totalled DM 70m which compared with the DM 117.6m ploughed back as an investment by Kloeckner in 1978-79. Last year's charge for depreciation was DM 200m, against DM 195m.

Kloeckner's main shareholders are Industriele Belegging Maatschappij, Kloeckner and Company and a number of banks.

● Arbed, the Luxembourg steelmaker, has requested LuxFr 10.8bn ($375m) in government aid. Last month the company unveiled a LuxFr 22.1bn investment programme.

Full details of the investment programme have not yet been worked out, but it will include construction of a LuxFr 3.6bn cold rolling mill specialising in high quality thin plates.

Campeau fails to gain control of Royal Trustco

BY ROBERT GIBBENS IN MONTREAL

CAMPEAU Corporation, the major Canadian property development group, has failed to get control of Royal Trustco, Canada's largest trust company with assets of C$7bn (U.S.$6bn) and further assets under administration of C$19bn.

After one of Canada's most bitter takeover battles, Mr. Robert Campeau, the Ottawa businessman who controls Campeau Corporation, had to admit he had received only about 20 per cent of the Trustco shares under the terms of a bid which expired yesterday.

Mr. Campeau had sought a minimum of 50.5 per cent of the Trustco issued shares which would have theoretically cost him C$225m.

Campeau Corporation is returning all the shares that had been deposited under its second bid. Two weeks ago the bid had been raised to C$23 per Trustco common share and C$32.78 per preferred. The original bid of C$21 per common and C$29.93 per preferred had been made on August 27.

The only comment from Royal Trustco was that shareholders had clearly decided that the company should remain widely held rather than become the property of a single corporation controlled by one individual.

Observers believe that, as a result of the takeover battle, federal laws governing trust companies may be altered to prevent the possibility of control being bought by single individuals. In the case of chartered banks, no one single corporation or individual can own more than 10 per cent.

Modest income growth at UCB

BY OUR FINANCIAL STAFF

MODEST GROWTH in profits for the first half of 1980 was reported yesterday by UCB, the Belgian group whose activities range from chemicals to packaging and films.

The company has been checked by a move into the red by its chemical operations. Overall, earnings prospects for the rest of this year are described as "less good."

Sales for the six months are 12 per cent ahead at BFr 11.69bn ($405m) and at the pre-tax level profits have improved by 4 per cent to BFr 323m. Pharmaceuticals have continued to expand and the film division has moved back into profit. But chemicals have dipped into the red.

At the same time earnings have been hampered by heavier charges for depreciation and tax and there has been a steep increase in financial costs.

But although pharmaceuticals continue to develop favourably, the chemical and film sectors are feeling the effects of the European recession. Volumes are lower, as are margins, which are being squeezed by reductions in selling prices and increases in costs.

In addition, the UK subsidiary, British Sidac which produces rayophane film, has suffered a reduction in demand, due to recession, the curb on exports resulting from the strength of sterling and the continuing substitution of bi-oriented polyproylene film for cellulose film.

Numbers employed at British Sidac were reduced last month by 250 out of a total of 1,500.

This year's sluggish earnings performance by UCB contrasts strikingly with the recovery achieved by the group in 1979 when profits more than trebled to BFr 473m and shareholders had their dividend restored to BFr 140 a share.

Cold Storage Australian bid approved

By Our Financial Staff

COLD STORAGE HOLDINGS, the Singapore-based food and beverage group said that the Australian authorities had approved its acquisition of Foodland Holdings Limited (FHL) of Australia. The approval was subject to the condition that the beneficial level of Australian equity in Foodland is raised to at least 40 per cent within five years. Cold Storage had accepted the condition and the offer has now been made unconditional.

Foodland will be acquired by Cold Storage's wholly owned Australian subsidiary, Island Investments Pte, for S$22m (U.S.$10.4m) cash.

Sime acquires Singapore packaging operation

BY OUR FINANCIAL STAFF

SIME DARBY has moved into the packaging business in Singapore with the acquisition of a manufacturer of corrugated paper cartons.

Sime Darby Singapore has purchased the capital of two Singapore companies, Win Box Company Private and Win Development Private, for S$1.5m (some US$715,000) plus a deferred additional payment based on profits over the next two years.

Win Box, which commenced operations in 1974, manufacturers corrugated paper cartons. Win Development is a property investment company, which owns the lease on the six-acre Win Box factory site in Jurong, the Singapore manufacturing region.

The Sime Darby group director of operations, Tunku Dato' Ahmed Yahaya, said in Kuala Lumpur that the Win Box acquisition represented a small but important investment for the concern in Singapore.

● The state-owned Keppel Shipyard Company said that its issue of 27m S$1 par value shares to the public at S$3.30 per share was heavily over-subscribed, Reuter reports from Singapore.

Keppel said that lists closed with 55,645 applications for 182.51m shares totalling S$602.3m.

Ballast Nedam forecasts flat profits

By Our Financial Staff

Ballast-Nedam, the Dutch construction group whose shareholders include substantial Middle Eastern interests, has forecast a further year of sluggish profits.

In an interim report, the company says that earnings for 1980 should roughly match the Fl 24.3m ($12.5m) achieved a year earlier. For 1978 Ballast returned Fl 24.1m at the net level.

In contrast, sales continue to improve. The company expects turnover for 1980 to total Fl 2.5m which would represent a rise of 13 per cent over the Fl 2.2bn notched up in 1979.

Orders in hand currently total Fl 2.1bn, the company reported. It did not provide half-year profit figures.

Union Miniere ahead

Union Miniere's operating results in the first half of 1980 were influenced by a slowdown in metal transactions, but its financial results "showed progress because of investments."

A statement from the company said profit for the full year could show some improvement over 1979. Operations of the Thierry mine in Canada showed negative results.

German bond issues

The West German finance ministry has approved the issue of DM 7.7bn of fixed interest paper in September—almost one-third down on the DM 10.7bn of August. The total comprised mortgage bonds DM 2.3bn, local authority bonds DM 3.1bn and others DM 2.3bn. The comparative figures were DM 1.6bn, DM 3.5bn and DM 5.6bn.

French funds grow

Net assets of French open-end investment funds (SICAV) increased by 13 per cent to FFr 51.53bn (equal to $12.3bn) the end of June from FFr 45.57bn at the end of March, Reuter reports from Paris. Bonds accounted for 53.8 per cent of total net assets followed by domestic Ordinary shares with 23.3 per cent. Foreign shares accounted for 11.6 per cent and Foreign bonds 4.6 per cent.

Barber Oil unveils plan to liquidate its assets

BY PAUL BETTS IN NEW YORK

THE BOARD of Barber Oil, the New York-based energy concern, has said it plans to liquidate the entire company in a move which it feels would be in the shareholders best interests.

The company, which is financially sound and reported higher first-half revenues this year of $91m compared to $58m in the first half of last year, apparently believes that liquidating the group through a series of separate sales, will achieve the best return on its assets at this stage. Although profits have been on a rising trend since the mid-1970s, the coal subsidiary, hit by price weakness, turned in a loss for the first quarter of this year.

Earlier, the company had sought to sell the group to an individual buyer, but two separate takeover bids, by Engelhard Minerals and the UK-owned Hanson Industries, failed.

Barber Oil's latest proposals involve, among other things, the sale of the company's domestic oil and gas subsidiary to oil income partnerships formed by Petro-Lewis for about $110m. Barber said it has agreed to sell its domestic shipping operations to Apex Shipping, a privately held St. Louis company, for $25.5m.

It also reported the sale of another subsidiary, Barber Oil Northern, for $11.75m to a so far undisclosed buyer. Barber added that a letter of intent had been signed for the sale of its coal operations controlled by its subsidiary, Barber Paramount Coal, for a cash consideration of $56.6m.

It said that its investment bankers were continuing discussions for the sale of its 50 per cent interest in American Gilsonite and its stake in a development process for heavy oil recovery.

Strong competition lowers margins at Winn-Dixie

BY OUR FINANCIAL STAFF

WINN-DIXIE Stores, the southern U.S. chain of 1,107 supermarkets, said that first quarter profits were hurt by stiff competition which forced the company to accept lower gross margins. Profits fell by 20 per cent in the quarter to $16.8m although it managed an 18 per cent gain in sales to $1.36bn. Per share earnings fell to 64 cents from 74 cents.

Mr. Bert Thomas, president, said at the annual meeting that Winn-Dixie plans to improve profit margins by controlling expenses. He forecast that fiscal 1981 sales would exceed last year's $5.39bn.

In sharp contrast, West-Point-Pepperell, the textile and clothing group, almost doubled its net profit in the final quarter to $11.1m, or $2.42 per share compared to $1.16 a share on a sales increase of 14.6 per cent to $311.5m.

This brought net income for the year ended August 30 to $42.51m, an advance of 55 per cent on the previous year, achieved on a sales increase of 23.7 per cent to $1.25bn.

GPU sees no recovery

BY OUR FINANCIAL STAFF

THE FINANCIAL aftershock of the nuclear accident at its Three-Mile Island generating plant will keep General Public Utilities' (GPU) earnings below normal at least until 1985, Mr. Verner Condon, vice-president and chief financial officer said

Recovery could take even longer because of a Pennsylvania Utility Commission ruling

Earlier this week, the company's Pennsylvania operation was denied an interim $72m energy-cost adjustment increase to its rates.

For each additional year that the clean up operation on the accident site drags on Mr. Condon said, the cost to GPU, without inflation taken into account, will be $50m.

He said GPU's third quarter earnings will be "in the black," but the figures will not be high. He declined to elaborate.

GPU reported earnings for the eight months to August of $15.2m or 25 cents a share, compared with the year-earlier's $73.5m or $1.20 a share.

GPU will show improvement as it gets base rate increases, said Mr. Condon. Two rate hike requests—one in New Jersey and the other in Pennsylvania—are expected to be ruled on by early 1981.

GM to increase Canadian investment

By Our Financial Staff

GENERAL MOTORS plans to boost its investment in Canada in the next two years, Mr. Elliot Estes, president, said yesterday.

"Canada is not only going to get its share (of investment) but with the way the Canadian market has been performing it will be getting a larger share."

GM's investment in Canada will average 7.5 per cent of its total world investment of US$46.8bn in 1979-82, but will increase to 11 per cent in 1982. The Canadian market also represents about 7.5 per cent of GM's worldwide vehicle sales.

As an example of future programmes, Mr. Estes said the company is seeking a site in Canada, possibly in the Windsor area, for a major research and development centre in computer programming.

Mr. Estes was speaking in Oshawa, Ontario, at the commissioning of the first phase of General Motors of Canada's new plant operations and quality control buildings.

During the next two years, the Oshawa fabrication plant will be retooled to produce parts for the subcompact J-car to be unveiled next spring. The J-car assembly will begin in Oshawa by the fall of 1982.

BRITISH COMMODITY MARKETS

U.S. strike deals hit copper market

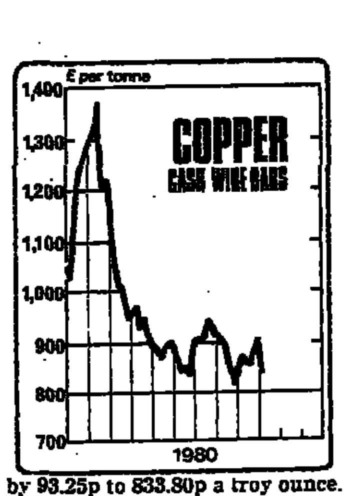
BY OUR COMMODITIES STAFF

COPPER PRICES slumped lower on the London Metal Exchange this week following further settlements by U.S. companies of the 13-week strike by copper workers. It was announced last night that Phelps Dodge, one of the leading producers, had finally managed to hammer out a tentative agreement with the unions. Duval Mining, whose workers walked out this week when their contracts expired on September 30, also announced a tentative settlement. So earlier in the week did another small producer, Inspiration Consolidated Copper.

These further settlements, following the pact already reached by Kennecott, are expected to put further pressure on other producers to reach agreement and end the strike completely.

Forecasts of another rise in LME warehouse stocks of copper, and the cooling off in the Iran/Iraq conflict, put additional downward pressure on the market. But encouraging economic signs reported from the U.S. helped values rally in late trading yesterday. As a result cash wirebars closed only marginally lower on the day at £835 a tonne, still £28 lower on the week, but well above a low of £824 reached in earlier trading following the decline in gold and silver.

The better economic news from the U.S. silver and gold under pressure. The London bullion spot market quotation for silver fell during the week



by 93.25p to 833.80p a troy ounce.

Tin prices fell heavily during the week as a result of heavy selling by speculators, who are encouraged by chart patterns to believe prices are over-valued.

Lead was also hit by selling from speculators, disappointed that the recent higher levels were not sustained despite price rises in the U.S. Zinc was also uneasy on reports from Europe that smelters there were not planning to follow the recent moves by Australian and Canadian producers to raise the European producer price from $780 to $845 a tonne. Smelters claim the market is too weak to stand such an increase, but there is a world shortage of zinc concentrates that may encourage producers to hold their ground.

London coffee values rose sharply following the agreement yesterday of a new international coffee pact by producing and consuming countries. The pact sets a target price range, with a mid-point some 10 cents a lb above present market levels. But this may take some time to achieve with the use of export quotas to regulate supplies available.

Part of the price paid by producers for U.S. participation in the agreement was the abandonment of their attempts to support prices through the operations of the Pancafe trading company.

Nevertheless the success of this week's negotiations lent strength to the market and the January futures position in London ended £65 up on the week at £1,088.5 a tonne.

World sugar prices surged to their highest levels since January 1975. Trade and speculative buying was triggered off by increasing fears that frost could hit the Soviet sugar beet crop, which is later than normal this year because of the unhelpful spring weather.

The March position on the London futures market climbed to £423 a tonne at one stage. The rise was encouraged by warnings that a strike of cane cutters could force Brazil—one of the world's biggest exporters—to import sugar. Prices eased back when the strike was settled in mid-week and March sugar ended £10.225 higher on balance at £415.875 a tonne. The London daily raw sugar price gained £10 to £384 a tonne.

MARKET REPORTS

BASE METALS

COPPER—Easier on the London Metal Exchange following the renewed weakness in gold and silver and reports of an agreement with Phelps Dodge and striking copper workers. Forward metal opened around £864 and fell to £850, prior to closing the late Kerb at £850 despite initial Far Eastern buying and European interest. Turnover: 17,100 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	824.5	-13.2	834.5	-1
3 months	850-1.5	-15.2	861-2	-2.75
Settlem't	824.5	-13.5		
Cathodes				
Cash	798-800	-3.5	804-5	-4
3 months	827-8	-12	833-4	-4
Settlem't	800	-8	—	......
U.S. Prod		......	*98.7-104	...

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £855, 54, 55, 55.5, 56, 55, 53, 52, 53, 52.5, 54, 53.5, 52, 1, 0. Cathodes, cash £800, three months £826, 27, 27.5. Kerb: Wirebars, Three months £851, 50.5, 50. Afternoon: Wirebars, three months £858, 59, 58.5, 58, 58.5, 62, 63, 62, 61. Kerb: Wirebars, three months £860, 59, 58, 57, 56.5, 56, 55, 54, 55, 56, 57, 57.5, 58, 57, 56.

TIN—Marginally easier as initial hedge selling and heavy speculative liquidation was well met by trade buying and merchant buying. Forward metal opened at £7,100 and dipped to £7,040 before recovering to £7,090 and closing at £7,070. Turnover: 1,075 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6935-40	-67.5	6970-85	-16
3 months	7045-50	-65	7090-110	-5
Settlem't	6940	-70	—	......
Standard				
Cash	6935-40	-67.5	6970-85	-15
3 months	7045-50	-65	7070-5	-25
Settlem't	6940	-70	—	......
Straits E.	$2159	-8	—	......
New York	—	......	—	......

Morning: Standard, cash £6,970, 65, 6,935, three months £7,070, 60, 50, 60, 70, 55, 50, 45, 40, 45, 50, 55, 50, 45. Kerb: Standard, three months £7,050, 60 Afternoon: Standard, three months £7,070, 75, 80, 85, 80, 75, 80, 90, 86, 70, 80, 75. Kerb: Standard, three months £7,070.

LEAD—Fell away on general bull liquidation which triggered stop-loss selling. Foward metal traded around £386 on the pre-market but came under pressure and fell away to £375 on the morning Kerb. In the afternoon fresh selling depressed the price to £366 before a close of £368. Turnover: 9,675 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	361.5-2	-11	357-9	-12.5
3 months	376-.5	-12.7	373-4	-13
S'ment	362	-11	—	......
U.S. Spot	—	......	*42-44	......

Morning: Cash £361, 61.5, 62, three months £378, 77, 76.5, 77, 77.5, 77, 76.5, 77, 76, 75, 74, 75, 76.5. Kerb: Three months £376. Afternoon: Three months £377, 76.5, 76, 75, 74, 73, 72, 74. Kerb: Three months £374, 73, 72, 71, 70, 67, 66, 67, 68.

ZINC—Held steady in the low to mid £340s before closing the afternoon Kerb at £343. Turnover, 2,000 tonnes. Morning: Three months £344, 43, 43.5, 45, 44. Kerb: Three months £343.5. Afternoon: Three months £343, 42.5, 43, 44, 44.5. Kerb: Three months £343.5, 43.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	331.5-3	-2.75	332-4	-1
3 months	344.5	-3	345-6	-1
S'ment	333	-2.5	—	......
Primw'ts	—	......	*37.5-37.75	—

ALUMINIUM—Barely changed on balance with forward metal opening at £695 and easing to £691.5 prior to closing the late Kerb at £695. Turnover: 3,875 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	671-5.5	+8.25	672-4	......
3 months	695.5-4	+8.25	697-.5	+2.75

Morning: Three months £691, 92, 93, 92, 93.5, 93. Kerb: Three months £693.5. Afternoon: Three months £695, 96, 96.5, 97, 97.5. Kerb: Three months £696, 95.5, 96.

NICKEL—Barely changed in subdued trading with forward metal finally quoted at £2,820 on the afternoon Kerb. Turnover: 516 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2790.5	-7.5	2795-805	+2.5
3 months	2815-20	-4.5	2822-5	-.5

Morning: Early-Oct. £2,795, three months £2,815, 10, 15, 12. Kerb: Three months £2,820. Afternoon: Three months £2,820, 25

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

LME—Turnover 245 (117) lots of 10,000 ozs. Morning: Cash untraded. Three months 870, 65, 68, 67, 68, 65, 64, 65, 66, 60, 62, 65, 62, 60, 62, 63, 64, 63. Kerbs: Three months 863, 64, 63, 60, 58, 55, 54, 55. Afternoon: Cash untraded. Three months 870, 71, 73, 74. Kerbs: Three months 870, 72.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	833.80p	-55.0	843.75p	-42.7
3 months	865.30p	-54	874.05p	-47.4
6 months	891.30p	-58	—	......
12months	933.30p	-78.7	—	......

COCOA

Cocoa futures remained steady throughout another featureless day, during which prices made gains of £7. Physical business was scarce with only modest offtake encountered amongst the consumers, while the producers remain inactive awaiting higher market levels reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
Dec	974-75	+7	982-72
March	1014-15	+8	1021-11
May	1034-35	+7.5	1041-32
July	1053-54	+7	1061-58
Sept	1072-73	+6	1072
Dec	1094-98	+6.5	1100
Nov	1118-25	+6.5	—

Sales: 2,961 (1,113) lots of 10 tonnes.

ICO Futures. Daily price for Oct. 2: 104.32 (104.77). Indicator prices for Oct 3: 10-day average 108.10 (109.66). 15-day average 109.07 (109.30).

COFFEE

With news of an agreement at the ICO meeting on quotas and trigger prices, London rallied some £20-40 during an active early session, reports Drexel Burnham Lambert. However, with additional news that certain coffee producers had rejected the proposals, prices failed to hold earlier gains, and in good volume the market drifted lower once again.

COFFEE	yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1075-00	+32.5	1110-1060
January	1088-89	+15	1112-1085
March	1086-87	+2.5	1113-1085
May	1075-00	-20	1120-1091
July	1090-92	-5.5	1118-1090
Sept	1091-94	-10	1138-12
March	1095-1102	-6.5	1102

Sales: 4,966 (2,094) lots of 5 tonnes.

ICO Indicator prices for Oct. 2 (U.S. cents per pound). Other Mild Arabicas 123.50 (123.67). Robustas ICA 1976 120.50 (120.00). ICA 1968 120.75 (120.25). Unwashed Arabicas 209.50 (208.00) Comb. daily ICA 1968 164.00 (163.70).

GRAINS

LONDON GRAIN FUTURES—Old crops opened 10p higher on wheat and barley in quiet trading. Wheat values eased 15-25p, the main pressure being on near-by options, commercial and hedges also eased barley values, and losses of 25-30p were registered. Lack of buying interest was apparent towards the close, reported ACLI.

M'nth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
Nov	98.55	-0.20	93.00	-0.30
Jan	102.80	-0.15	97.40	-0.25
Mar	106.50	-0.15	101.05	-0.30
May	110.00	-0.15	104.80	-0.15
July	114.00	-0.10	—	—
Sept	98.85	......	94.35	-0.15

Business done—Wheat: Nov. 98.85-98.55, Jan. 103.05-102.70, March 106.75-106.70, May 110.40-110.25, July 114.10-114.10, Sept. no trade. Sales: 110 lots of 100 tonnes.

Barley—Nov. 93.40-93.00, Jan. 97.60-97.50, March 101.45-101.05, May 104.85-104.85, Sept. no trade. Sales: 125 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent: Oct. 96.50, Nov. 98.25, Dec. 101.75. Transhipment East Coast, sellers. U.S. Hard Winter 13½ per cent: Oct. 99, Nov. 100, Dec. 100.25, Transhipment East Coast, sellers. English Feed fob: Nov. 102, paid South Coast, Jan.-March 108, seller, South Coast. Maize: U.S.-French: Oct. 120.50, transhipment East Coast, seller. South African Yellow: Oct.-Nov. 85, seller. Barley: English Feed fob: Nov. 98, paid Poole. Jan. 102, paid East Coast. Rest unquoted

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 90.20, E. Mid 88.00, N. East 88.70, Scotland 84.40 Feed wheat: Eastern 96.20, E. Mid. 95.10, N. East 96.10, Scotland 97.30. Other Milling Wheat: Eastern 101.90, E. Mid. 100.10, N. East 100.00, Scotland 98.00.

RUBBER

The London physical market opened slightly higher, becoming easier throughout the day, closing on a very quiet note. Lewis and Peat reported a fob October price for No. 1 RSS in Kuala Lumpur of 302 (299.5) cents a kilo and SMR 20 at 258.5 (257.5).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Nov	63.80-65.70	64.20-64.90	65.90-65.60
Dec	64.70-64.90	65.40-66.00	—
Jan-Mar	67.20-67.40	67.30-67.50	67.88-67.00
Apr-Jne	70.70-70.80	71.10-71.20	71.50-70.80
Jly-Sept	73.80-74.00	74.20-74.50	74.80-73.60
Oct-Dec	78.70-77.00	77.00-77.20	77.10-77.00
Jan-Mar	79.50-78.70	79.80-80.00	80.00-79.80
Apl-Jne	82.30-82.50	82.80-82.70	—
Jly-Sept	85.80-86.30	85.00-85.80	—

Sales: 174 (312) at 15 tonnes, 5 (nil) at 5 tonnes.

Physical closing prices (buyer) were: Spot 62.25p (62.75p), Nov. 64.00p (64.25p), Dec. 65.00p (65.50p).

SOYABEAN MEAL

The London market opened £1.50 lower on continued long liquidation reports T. G. Roddick. Trade buying at lower levels steadied prices which closed slightly above the day's lows.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
October	118.50-25.0	-2	
December	125.50-26.4	-2.05	127.00-126.80
February	123.10-23.4	-2.05	128.70-126.80
April	130.10-30.8	-1.85	132.00-130.80
June	130.00-31.8	-1.75	132.00
August	129.80-31.8	-1.65	—
October	124.50-26.8	-1.20	126.50

Sales: 185 (199) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £384.00 (£387.00) a tonne cif for Sept.-Oct.-Nov. shipments. White sugar daily price was £371.00 (£378.00).

The market was confined within a £4.00 range in quiet trading conditions, reports C. Czarnikow.

No. 4 Contract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Jan	397.00-99.00	402.00-04.00	402.50-340.0
Mch	417.75-41.85	415.75-19.80	420.00-415.0
May	412.00-41.80	411.40-11.75	416.00-409.5
Aug	386.55-89.00	398.50-87.00	400.00-395.0
Oct	377.50-37.50	377.00-78.00	389.50-377.0
Jan	350.50-55.75	352.00-58.00	—
March	348.00-35.75	342.00-58.00	—

Sales: 7,748 (12,046) lots of 50 tonnes.

No. 2 Contract—Close (in order buyer, seller, business, sales): Oct. 390.00, 396.00, 397.00-390.00, 22. Sales: 22 (94).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £483 (£487) for export.

International Sugar Agreement (U.S. cents per pound) (fob and stowed Caribbean port). Prices for Oct. 2: Daily price 39.72 (39.42); 15-day average 37.12 (36.63).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Oct. 355, 360, nil, nil; Dec. 364, 367, 364, 2; Jan. 364, 369, nil, nil; March 368, 371, nil, nil; May 370, 373, 372, 2; Aug. 377, 379, 378, 2; Oct. 378, 380, 378, 2; Dec. 379, 382, 382-381, 7; Jan. 377, 385, 384-383, 4; March 384, 386, 385, 2. Sales: 21.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). Australian cents per pound. Oct. 454.0, 455.5, 456.0-453.0, 90; Dec. 466.0, 468.0, 468.0-465.0, 98; March 488.5, 489.0, 489.0-485.5, 233; May 497.0, 498.0, 497.0-490.5, 231; July 500.0, 501.0, 501.0-496.0, 111; Oct. 500.0, 504.0, 500.0-495.0, 48; Dec. 501.0, 506.0, 502.0-498.0, 11; March 503.8, 506.0, untraded. Sales: 820.

AMERICAN MARKETS

NEW YORK, October 3.

PROFIT-TAKING in precious metals depressed the market with some recovery of the losses on the close. Cattle markets rallied at the close for good gains, while the hog markets partially recovery from extreme losses. New buying in sugar put prices sharply higher. Trade buying in cotton carried prices to higher levels. The rally in coffee resulted from a new agreement on the sales quota of 57m bags. Technical buying in cocoa moved prices moderately higher. A late rally in the grains and soyabeans offset light hedge pressure with good gains across the board. Copper rallied on favourable economic news from unemployment and the wholesale price index, reported Heinold.

Copper—Oct. 91.00 (90.15), Nov. 92.00 (91.05), Dec. 93.05, Jan. 93.90, March 95.65, May 97.45, July 99.25, Sept. 101.05, Dec. 103.70, Jan. 104.50, March 106.30, May 108.10, July 109.90.

Potatoes (round whites)—Nov. 93.5 (92.8), March 132.0 (131.8), April 154.5. Sales: 1,528.

Tin—776.0-785.0 (782.0-790.0).

CHICAGO, October 3.

Chicago Imm. Gold—Oct. 670.3 (672.5), Nov. — (—), Dec. 684.3, Jan. 693.0, March 709.5, April 718.3, June 735.5, July 744.5, Sept. 761.9.

¶Soyabean Meal—Oct. 233.0 (229.7), Dec. 239.8 (236.2), Jan. 243.0, March 247.5, May 249.5, July 250.5, Aug. 248.0, Sept. 243.0-245.0, Oct. 226.0, Dec. 226.0-226.0.

Soyabean Oil—Oct. 25.10-25.15 (24.70), Dec. 25.70-25.75 (25.42), Jan. 26.00-26.05, March 26.20-26.75, May 27.15-27.10, July 27.65, Aug. 27.65, Sept. 27.35, Oct. 26.40-26.50, Dec. —.

†Wheat—Dec. 498-498½ (493¼), March 519-518½ (513¾), May 528, July 522½, Sept. 530, Dec. —.

WINNIPEG, October 3.

§Barley—Oct. 139.40 (138.40), Dec. 140.00 (139.50), March 140.90, May 141.60, July 140.50.

Lard—Chicago loose 22.00 (same). New York prime steam unavailable.

Live Cattle—Oct. 67.32 (67.17), Dec. 69.95 (68.25), Jan. 69.90, Feb. 70.77, April 72.87, June 73.45, Aug. 72.80, Oct. —, Dec 73.60

Live Hogs—Oct. 45.27 (47.00), Dec. 48.27 (49.05), Feb 51.35, April 50.72, June 54.25, July 55.40, Aug. 54.05, Oct. 53.50, Dec. 54.50.

Pork Bellies—Feb. 62.60 (64.00), March 62.57 (64.07), May 64.15, July 64.70, Aug. 63.50.

¶Silver—Oct. 2005.0 (2082.5), Nov. — (—), Dec. 2052.5, Feb. 2112.5, April 2172.5, June 2232.5, Aug. 2292.5, Oct. 2352.5, Dec. 2412.5, Feb. 2472.5, April 2532.5, June 2592.5, Aug. 2652.5, Oct 2712.5, Nov. —, April —

‡Soyabeans—Nov. 806-803 (781¼), Jan. 828-826 (814), March 848-847½, May 865-865½, July 873, Aug. 865-864, Sept. 820, Nov 786½-787½.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

INDICES

FINANCIAL TIMES

Oct. 2	Oct. 1	M'nth ago	Year ago
273.32	276.30	274.54	304.30

(Base: July 1, 1952=100)

MOODY'S

Oct. 2	Oct. 1	M'nth ago	Year ago
1318.2	1313.4	1246.2	1164.2

(December 31, 1931=100)

DOW JONES

Dow Jones	Oct. 2	Oct. 1	Month ago	Year ago
Spot	467.61	465.10	443.88	416.28
F'tur's	479.38	485.72	465.60	426.75

(Average 1924-25-26=100)

REUTERS

Oct. 3	Oct. 2	M'nth ago	Year ago
1739.5	1746.8	1727.0	1653.1

(Base September 18, 1931=100)

COTTON

LIVERPOOL—No spot or shipment sales were recorded yesterday, leaving the total for the week at 386 tonnes, against 783 tonnes in the previous week. Activity was severely restrained and business was on narrow lines. High cost of raw cotton deterred users from increasing their purchases.

POTATOES

LONDON POTATO FUTURES—Early strength in April held values steady, but profit-taking throughout the day put all values lower by the close, reports Coley and Harper. Closing prices: Nov. 43.50 −100 (high 44.60, low 43.50), Feb. 52.80 −50 (high 53.70, low 52.80), April 60.00 −30 (high 61.00, low 59.80). Total traded: 66 (21) lots of 40 tonnes.

★

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£6.00, Codlings £3.80-£4.50, Small Haddock £2.00-£3.00, Plaice Large £5.00, Medium £5.00-£5.40, Best Small £2.60-£3.40, Skinned Dogfish (large) £7.00-£8.00, (medium) £5.50, Lemon Soles (large) £8.00, (medium) £6.50.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on October 3. GB cattle 71.11p per kg lw (+1.66); UK sheep 122.40p per kg est dcw (+15.21). GB pigs 65.91p per kg lw (+0.47).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Oranges—Outspan: Valencia Lates 48 5.40, 56 5.75, 72 5.85, 88 4.50, 112 4.50, 138 4.35, 150 4.20; Brazilian: 72/138 3.70-4.40; Californian: 56/112 4.00-5.00. Lemons—Italian: 100/150 5.00; Spania: Trays 25/45 2.40-3.00, boxes 5.50-7.00; Outspan: Trays 45 4.30; Turkish: 4.80-5.20; Chilean: 7.00-7.50;

Stock Exchange dealings

Thursday, October 2	20,593
Wednesday, October 1	21,816
Tuesday, September 30	20,326
Monday, September 29	19,202
Friday, September 26	22,215
Thursday, September 25	20,127

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian. $B—$Bahamian. $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand. $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (528)

11¼pc Treasury stk. 1989 87 ¼
11½pc Treasury stk. 1981 99 (29/9)
11¾pc Treasury stk. 1989 93¾ ⅞ 4¼ 3½
11¾pc Treasury stk. 2001-04 90¼
11¾pc Treasury stk. 1991 94¼● ⅛ 3⅞ 4 3¾
11¾pc Treasury stk. 1991 A 81⅝● 2 ⅛
11¾pc 2003-07 93⅞●
12pc Treasury stk. 1984 98¼● ⅛● ⅛ 7¾ 8⅛ 8
12pc Treasury stk. 1987 93⅛● ¾ 4¾ 3½ ¼ ⅞
12pc Treasury stk. 1995 94⅛● ¼● 4● ¾● ⅛
12½pc Treasury stk. 2003-05 99¼ (1/10)

FOREIGN STOCKS (1)

COUPONS PAYABLE IN LONDON

Chinese 4½pc Gold Bds. 1898 19 (30/9). 5pc Gold Bds. 1925 12 (30/9). 5pc Gold Bds. 1912 13 (26/9)
Denmark (Kingdom of) 13pcLn. 93¼●

CORPN. STOCKS—FOREIGN

St. Petersburg (City of) 4½pc Bds. 1913 £7½ (26/9)

BREWERIES (115)

Guinness (Arthur) Unsec.Ln. 75 (29/9)
Hardys Hansons (25p) 284
Highland Dist. (20p) 126 5 (1/10)
Higsons (25p) 71 (30/9)
Macallan-Glenlivet (25p) 539 (29/9)
Mansfield 161
Marston Thompson Evershed (25p) 70● 70
Scottish Newcastle (20p) 61● 3½● 2● 30 4● 2 60½. 7¼pcPf. 60● 59¾●
Seagram Shs. Com.Stk without par val 25⅝ (26/9)
Sth. African (R0.20) 153 (1/10)
Tomatin Dist. (25p) 130 (29/9)
Vaux (25p) 134●
Watney Mann Truman Hldgs. 6½pcDb. 65⅞. 7½pcDb. 63 (30/9). 10½pcDb. 80¾●
Whitbread A (25p) 158● 60 9● 5. 7pc 3rdPf. 53½ (30/9). 9pcUnscd.Ln. 67½
Wolverhampton Dudley (25p) 194●
Young A (50p) 187●. Non-vtg. (50p) 137. 4.2pcPf. 43. 9pcPf. 96½●

COMMERCIAL (1,742)

A—B

AAH 6pcPf. 39½● ½
A.B. Electronic Prods. Gp. (25p) 180 78 6
AD Internt. 9pcUnscd.Ln. 71
AGB Research (10p) 230●
A.P.V. Hldgs. (50p) 203. 10¾pcUnscd. Ln. 140 (1/10)
Aaronson Bros. (10p) 54 (30/9)
Abercom Gp. (R0.30) 133 (26/9)
Aberdeen Cons. Gp. (25p) 137 (26/9)
Aberthaw and Bristol Cement Co. (25p) 198 (30/9)
Acrow Non-vtg. A (25p) 45● 40 3 4
Advance Services (10p) 42 (30/9)
Adwest Group (25p) 170 1 (30/9)
Aero Needles Group (25p) 20
Aeronautical and Gen. Inst. (25p) 600●
Airfix Industries (20p) 11● 12●
Albright and Wilson 7¼pcDb. 67¼ (30/9)
Alcan Aluminium Shs. npv £15 (29/9)
Alcan Aluminium (UK) 68●
Allebone and Sons (10p) 19½ (30/9)
Allen (W. G.) and Sons (25p) 36 (29/9)
Allied Colloids (10p) 123●
Allied Plant Group (10p) 34½ 4
Allied Suppliers 63 (30/9)
Alpine Soft Drinks (10p) 90● 4● 89
Amal. Metal Corp. 248 (30/9)
Amal. Power Eng. (25p) 55 4 7
Amatil ($A1) 103 (26/9)
Amber Day Holdings (20p) 26½●
Amstrad Consumer Elec. (25p) 87 (29/9)
Anchor Chemical Gp. (25p) 82 80 (1/10)
Anderson, Strathclyde (25p) 103●
Anglia Tele. Gp. Non-vtg. A (25p) 90 (30/9)
Anglo-American Asphalt (25p) 27●
Appleyard Group (25p) 39 (26/9)
Aquascutum A Ord. (5p) 29½ (30/9)
Arenson (A.) (Holdings) (10p) 43
Argyll Foods (5p) 69 (26/9)
Arlington Motor Holdings (25p) 91 (1/10)
Armitage Shanks Gp. (25p) 113● 12 13 9½ 9
Armstrong Equip. (10p) 43 2½ 3½ (30/9)
Arrow Chemical Hldgs. (25p) 22● 20●
Ashley Industrial Trust (25p) 49
Aspro-Nicholas 39½ (30/9)
Assoc. Biscuit Mnfrs. (20p) 71 (30/9)
Assoc. Book Pubs. (20p) 210 (1/10)
Assoc. British Eng. (12½p) 21¼ (30/9)
Assd. British Foods (5p) 120● 19● 18●. 6¼pcDb. 76 (26/9). 7½pcUnsec.Ln. 1987-2002 28½ (26/9)
Assd. Communications Cpn. A (25p) 91 3 (1/10)
Assd. Dairies Group (25p) 226 7 32 24
Assd. Electrical Inds. 6pcDb. 82¼●. 6¼pcDb. 63½ (1/10)
Assd. Engng. (25p) 48½ 9½ (1/10)
Assd. Fisheries (25p) 74. 7¼pcUnsec. Ln. 82 (30/9)
Assd. Leisure (5p) 114 13½. 7½pc Unsec.Ln. 57 (26/9)
Assd. Newspapers Group (25p) 308● 5● 6● 7● 8 2 300 6
Assd. Paper Industries (25p) 30 (30/9)
Astbury Madeley (Hldgs.) (20p) 107● 8 6 7
Astra Industrial Group (10p) 16 ½ 15½ (26/9)
Audiotronic Hldgs. (10p) 4 (29/9)
Ault Wiborg Group (25p) 37 (1/10)
Aurora Hldgs. (25p) 39
Automated Sec. (Hldgs.) (10p) 325●. 8pc Unsec.Ln. 162 (30/9)
Automotive Products (25p) 62. 4.55pc2nd Pf. 42½● ¼●
Avana Group (5p) 180 1 80 (29/9).
Avon Rubber 86

B.A.T. Industries (25p) 277● 8 5
BBA Group (25p) 30 (30/9)
BICC (50p) 152 3 3. 7pcDb. 78¼●. 7¼pcDb. 64
BL (50p) 21● 3● 1 20. 7½pcUnsec.Ln. 45 (30/9). 8pcUnsec.Ln. 44 (1/10)
BOC Internatl. (25p) 87 8. 6¼pcDb. 72½ (29/9). 9pcTonnageDb. 90¼ ⅛
BPB Industries (50p) 237● 5 9
BPC (25p) 21 (1/10). 4.2pcPf. 37 (30/9). 4.2pcAPf. 36 (30/9). 8½pcUnsec.Ln. 1993-98 58 (26/9)
B.P.M. Hldgs. B (25p) 79½ 80 (30/9)
B.S.G. Internatl. (10p) 15½ 14½
BSR (10p) 24 5 (1/10). 5pcUnsec.Ln. 40 (30/9)
BTR (25p) 350 46 9. New (25p) 53● 46 8 7 ¼ 8½ 50 1
Babcock Internatl. (25p) 99 8. 6pcDb. 82 (1/10)
Bailey (C. H.) (10p) 5¼●
Baird (William) 183●
Baker Perkins Hldgs. (50p) 65●
Bambers Stores (10p) 47 (1/10)
Barget (25p) 26●
Barker Dobson Group (20p) 10 (1/10)
Barlow Rand (R0.10) 476● 5●
Barr and Wallace Arnold Tst. (25p) 72 (26/9). A (Non-Vtg.) (25p) 66 (30/9)
Barratt Developments (10p) 155
Barrow Hepburn Grp. (25p) 28 (30/9)
Barton and Sons (25p) 34 (26/9)
Bassett (Geo.) Hldgs. (25p) 46½● ¼●
Bath and Portland Grp. (25p) 33½● 5
Batleys of Yorkshire (10p) 44 (1/10)
Beatson, Clark (25p) 96 (30/9)
Beattie (James) A (Restricted Vtg.) (25p) 140●. 6¼pcDb. 64
Beauford Grp. (10p) 35 (1/10)
Beazer (C. H.) (Hldgs.) (10p) 87●
Beecham Grp. (25p) 150 1 2. 5pcLn. 33. 6¼pcLn. 83½ 2
Beechwood Construction (Hldgs.) (10p) 20½ (1/10)
Bejam Grp. (10p) 95● 4● 6
Bell Canada (C$8¼) £6.60 (1/10)
Bellway (25p) 67
Bemrose Corp. (25p) 30½● ½ 30
Benford Concrete Machinery (10p) 39 (29/9)
Benlox Hldgs. (10p) 40
Benn Brothers (25p) 51 (30/9)
Bentalls (10p) 27 (1/10)
Berec Grp. (25p) 95● 7½● 6 5
Berisford (S. and W.) (25p) 197● 5● 6 4
Berisfords (25p) 60 (26/9)
Berwick Timpo (25p) 55 (30/9)
Bestobell (25p) 306
Bibby (J.) and Sons (50p) 236 7 (30/9)
Bifurcated Engineering (25p) 35 (26/9)
Birmid Qualcast (25p) 24¼
Black (A. and C.) (25p) 80 (30/9)
Black and Edgington (50p) 37●
Black Arrow Grp. (50p) 22½ (30/9)
Black (Peter) Hldgs. (25p) 90 (26/9)
Blackwood Hodge (25p) 39● ½●. 6pcPf. 36 (30/9)
Blackwood, Morton and Sons (Hldgs.) (25p) 11½●
Bluebird Confectionery Hldgs. (25p) 42 4 (30/9)
Blue Circle Industries 346● 6 4. Ord. Shs. 350 40 4. 7pcDb. 63●. 10¼pcDb. 81¼ (30/9). 6¼pcLn. 43 (30/9)
Blundell-Permoglaze Hldgs. (25p) 90½ 2 (30/9)
Boardman (K.O.) Intnl. (5p) 8½ (1/10). 5¼pcPf. 32 (26/9)
Boeing (US$5) £16¼ (30/9)
Booker McConnell (25p) 60 58. 6pcPf. 41 (26/9)
Boosey and Hawkes (25p) 127 (29/9)
Boot (Henry) and Sons (50p) 170 (29/9)
Booth (Intnl Hldgs.) (25p) 31●
Boots (25p) 231● 28 7. 6pcLn 82¼ (26/9)
Borthwick (Thomas) (50p) 31½● 2● 2
Boulton (Wllm.) (Grp.) (10p) 10¼ (1/10)
Bowater Corp. 165 8. 5¼pcPf. 38½ (26/9)
Bowthorpe Hldgs. (10p) 157● 6
Braby Leslie (10p) 38 (26/9)
Brady Indust. A (25p) 45 (30/9)
Braham Millar Grp. (10p) 11 (29/9)
Braithwaite Engineers 88
Brammer (H.) (20p) 150 (1/10)
Brasway (10p) 39●
Breedon Cloud Hill Lime Works (25p) 104●
Brenngreen (Hldgs.) (10p) 26¼ 7
Brent Chemicals Intnl. (10p) 146
Brent Walker (5p) 64 3 (26/9)
Brickhouse Dudley (10p) 44 (26/9)
Bridgend Processes (5p) 4½
Bridon (25p) 52● 3● 50● 2 1
Brigray Grp. (5p) 9½ (30/9)
Bristol Evening Post (25p) 137●
Bristol Stadium (5p) 17½ (30/9)

British Aluminium (50p) 156 (30/9)
British-American Tobacco 5pcPf. 40 (30/9). 6pc2ndPf. 46●. 7pcPf. 85½ (29/9)

...

Magnet Refuelling (25p) 200
Fobel Intnl. (10p) 34½● 4
Fogarty (E.) (10p) 65. Dfd. (48p) 60
Folkes (J.) Hefo (5p) 25 6 (1/10)
Forward Tech Inds. (25p) 121 (1/10)
Fosecco Minsep (25p) 164 3 2 1 (30/9)

GAS (5)

Imperial Continental Gas Assn. 291 5. New 294● 6 5. 8pcUnsec.Ln. 115●

INSURANCE (116)

Brentall Beard (Hldgs.) (10p) 10
Britannic (5p) 264 5
Commercial Union (25p) 172● 3 4 2 1
Eagle Star Hldgs. (25p) 250
Equity Law Life (5p) 324● 5● 3
General Accident Fire Life (25p) 361● 60 2
Guardian Royal Exchange (25p) 360● 2● 58 62 60. 7pcPf. 58●. 7pcUnsec.Ln. 63¼●
Hambro Life (5p) 300● 2● 298● 301
Heath (C. E.) (20p) 212
Hogg Robinson Group (25p) 129●
Howden (Alexander) Group (10p) 100● 2 1● 2 1 4
Legal General Group (25p) 237● 41½● pe 4 5
London Manchester (5p) 212
London Utd. Invests. (20p) 168
Marsh McLennan Cos. Com.Stk. ($US1) £25¼● 6½
Minet Hldgs. (20p) 108

Sime Darby Berhad ($M0.50) 85●
Smith Bros. (25p) 43 (1/10)
Stock Exchange 7½pcMt.Db. 60 (30/9)
Utd. Dominions Tst. (25p) 40 39. 16pc Sub.Unsec.Ln. 110 (1/10)
Wagon Finance Cpn. (25p) 41 (1/10)
Yule Catto (10p) 100

MINES

Australian (16)

North Kalgurli Mines ($A0.30) 115● 15 16
Paringa Min. Expl. (5p) 60
Western Mining ($A0.50) 285 8 6

Miscellaneous (214)

Amax Inc. ($US1) 21⅛● ⅝
Beralt Tin Wolfram (25p) 71●
Charter Cons (2p) 275 3 7 2
Cons. Gold Fields (25p) 655● 50● 5 8 3 2. 6½pcLn. 58 (1/10). 7¾pcLn. 58 (1/10). 8½pcLn. 67 (29/9)
El Oro Min. Exp. (10p) 80
Gopeng Cons. (25p) 720●
Idris Hydraulic Tin (10p) 137●
Malayan Tin Dredging ($M1) 105● 6● 16
Rio-Tinto Zinc Cpn. (25p) 458● 60● 63 5 8 2 50. Do. (Br.) (25p) 462 7 57 (29/9). Accom. Ord. (25p) 448½. 3.5pc Pf. 39. 9½pcLn. 110½● 9 8 ½. 9½pcLn. 100 7½● 9¼● 8 7½ 8½ 9 7½ 7 ¼
Silvermines (2½p) 116 17
South Crofty (10p) 21 (1/10)
Tanks Cons. Invest. (50p) 330
Tronoh Mines Malaysia ($M1) 315 (30/9)

Rhodesian (20)

Botswana RST (Pu2) 36 7 (1/10)
Globe Phoenix Gold Min. (12½p) 99● 5
MTD (Mangula) 112 (30/9)
Minerals Resources Cpn. ($BD1.40) 670● 65● 30 5 205
Northchart Invest. (R0.10) 13 (29/9)
Rhodesian Cpn. (16½p) 39●

APPOINTMENTS

Mr. J. Greenwood, retired financial director of Ocean Transport and Trading, and Mr. J. P. D. Hancox, a partner in Tilney and Co., stockbrokers, have been appointed non-executive directors of THOMAS WARRINGTON AND SONS.

★

General Sir William Scotter is to be appointed Deputy Supreme Allied Commander Europe from April 1981. He will succeed General Sir Jack Harman at Supreme Headquarters Allied Powers Europe, in Belgium.

★

Following the resignation of Mr. M. R. Brookman, Mr. A. D. Blackett, finance director of the National Enterprise Board, has been appointed a director of WHOLESALE VEHICLE FINANCE.

★

Mr. Tony Berry has been appointed an associate director of SARABEX, London.

★

Mr. J. E. Boyd, director of SCOTT LITHGOW (OFFSHORE) and financial adviser to the SCOTT LITHGOW GROUP has relinquished both appointments.

★

Mr. Frank E. Dulapa has been appointed to the board of LONDON UNITED INVESTMENTS.

★

Mr. Miles Collinge, for the past three years group treasurer of BICC, has been appointed development director-designate of the ENGLISH TOURIST BOARD.

★

Mr. C. J. Hall has been appointed financial controller at *METAL AND PIPELINE* ENDURANCE.

★

Mr. J. A. Brimley and Mr. A. T. Morton have been appointed to the board of CHARTERHALL OIL, the principal subsidiary of Charterhall, as financial director and Australian operations director respectively.

★

Mr. K. R. Broadley has retired from the board of the APPLEYARD GROUP OF COMPANIES.

★

Mrs. Veronica Fulton has been appointed the first lady partner in MacINTYRE HUDSON, chartered accountants and is based at the firm's Richmond office.

★

Mr. P. R. Lawrence and Mr. J. M. Horwell have been appointed joint chairmen of DEVITT (MIDLANDS) and DEVITT ASSOCIATES.

★

Viscount Caldecote, chairman of the Delta Metal Company, has been appointed a vice-president of the ENGINEERING EMPLOYERS' FEDERATION.

★

Mr. Ronald J. Harrison has been appointed chief executive of CANADA PERMANENT TRUST COMPANY (UK). Previously he was chairman and managing director of Commercial Credit.

★

Mr. John Fruin has resigned his position as managing director of WEA RECORDS.

★

Dr. Wolfgang Mossbacher, a senior executive in the export department of the Holsten Brauerei in Hamburg, has been made a director of HOLSTEN DISTRIBUTORS of the UK.

★

The Employment Secretary has reappointed Mr. Bill Simpson as chairman of the HEALTH AND SAFETY COMMISSION.

★

Dr. Alan Baddeley has been appointed to the new position of external affairs secretary of the UK Offshore Operators Association. The post is to enable the Association to maintain its close contact with the growing number of Government departments and regulatory agencies concerned with the offshore oil industry, and to assist with its relationships with the media.

★

Mr. Thomas L. Beagley has been appointed the eighth member of DOVER HARBOUR BOARD for a term of three years, *ending on September 30, 1983.*

★

THE BRITISH GAS CORPORATION has appointed Mr. Allan Sutcliffe a deputy chairman of the West Midlands Region from December 1. At present, Mr. Sutcliffe is director of finance of Wales Gas. He is also a director of Moracrest Investments.

★

Mr. Derek Casey has been appointed director of sales. Ready Mix Concrete division of WILLMENT HOLDINGS. He will also join the Boards of Willment Ready Mix Concrete and Nodekrete (Readimix).

★

Captain William T. Benson has been elected executive vice president of SUWANNEE RIVER LINE INC., a wholly-owned subsidiary of Occidental Petroleum Corporation. He will be responsible for administration of contracts affecting Occidental's fleet of phosphoric acid carriers.

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	16½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
BCCI	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	16 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	18 %		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%. 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £50,000 14½% and over £50,000 15%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
KCA Intl.	25p	12	156	−12	173	41
BP	25p	11	404	−10	414	320
Town & C. Props.	10p	8	26½	+ 1½	26½	16
Associated Dairies	25p	6	220	− 2	242	160
European Ferries	25p	6	165	+ 2	192	96
Premier Cons.	5p	6	91	− 6	99	36
Security Centres	10p	6	64	− 9	73	23
Shell Transport	25p	6	420	+ 2	432	314
Cons. Gold Fields	25p	5	637	−13	682	355
First Castle	10p	5	46	+ 7	46	24½
Lonrho	25p	5	114	—	115	72
NatWest Bank	£1	5	400	− 4	408	305
Plessey	50p	5	233	+ 3	265	108
Rank Organisation	25p	5	166	− 4	228	146
Royal Bank Scot.	25p	5	100	− 2	106	75

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
BP	25p	55	404	+20	414	330
KCA Intl.	25p	47	156	+ 8	173	41
RTZ 9½pcConv.Ln. 1995-2000	Nil/pd.	47	£4pm	− 7	£15pm	£4pm
GEC	25p	44	512	− 1	540	336
Plessey	50p	42	233	+ 2	265	108
Shell Transport	25p	41	420	+ 3	432	314
Carless Capel	10p	38	182	+20	190	66
LASMO	25p	38	760	+35	830	337
Charterhall	5p	36	86	+12	87	33½
GKN	£1	36	175	− 1	279	170
Ultramar	25p	36	433	− 7	445	306
Burmah Oil	£1	35	186	+ 2	249	162
BTR "New"	Nil/pd.	34	48pm	+ 6†	50pm	42pm
ICI	£1	34	340	−10	402	340
Cons. Gold Fields	25p	33	637	+ 9	682	365

† Based on Tuesday's opening price.

SEPTEMBER 30

SEPTEMBER 29

SEPTEMBER 26

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration

OCTOBER 1

Aran Energy 345 50 2 3 5 6 90* 5*
Berkeley Exploration and Production 222 5 6 7 8 30 1 2 3 4 5 6 7 8
Candecca Resources 232 4 5 6 7 8 40
CCP North Sea Assoc. 265 70 3 5
Cluff Oil 350 5 60 5
Gas and Oil Acreage 445 50
Marinex Petroleum 165 7 8 70 1 2 3 5
Pict Petroleum 330 5 40 50
Pict Petroleum New 75 80 1 3
Sovereign Oil and Gas 350 2 5 6 7 8 60
Sun Oil (UK) Oil Royalty (R/C Fully Paid) 460 72 80 3 5 90 500 5 10 15 20

Berkeley Exploration and Production 197 8 9 200 1 2 3 4 5 6
Candecca Resources 216 17 18 19 20 1 2
CCP North Assoc. 257 8 60 2 5 7
Cluff Oil 325 30
Gas and Oil Acreage 425
Marinex Petroleum 145 50
Pict Petroleum 145 50
Pict Petroleum 330 5 40 3 5 55 60
Sovereign Oil and Gas 315 17 20 3 5 7
Sun Oil (UK) Oil Royalty Stk. (R/C Fully Paid) 450 5 60 5 75 80 5 500 6 10 25

(By permission of the Stock Exchange Council)

PROPERTY (71)

Allied London 10pcPf. 90 (29/9)
Anglo Metropolitan Hldgs. (25p) 72
Bampton Hldgs. 8¼pcLn. 61 (26/9)
Bradford Prop. Tst. (25p) 192● 90●
British Land (25p) 92● 3. New (25p) 91½ (29/9). 12pcLn. 304 (1/10). New 12pcLn. 298 9 (29/9)
Brixton Estate (25p) 130 (29/9)
Capital and Counties (25p) 113● 14. 9¼pc Ln. 74¼ (30/9)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange

OCTOBER 2

Aluminium Co. of America US$72½● £30½●
American Standards £29½‡
Apex Oil 18½
Australian Cons. Minerals 20
Baguio Gold ½
Basic Resources 495●
Bond Corp. 152● 40● 2
Bougainville Copper 123
Brunswick Oil 16●
CSR 364
Canada North West Aust. Oil 17½●
Hong Kong Land 143●
Intnl. Mining 51●
Jardine Matheson 222● 201‡ 3 15 14
Keywest 21¼‡ ½‡
Kitchener Gold Mining 298● 85●
Kulim Malaysia 44½
Lennard Oil 60●
MIM Hldgs. 248● 500 49● 35● 47½● 51 6 4 9 7 8 5
Magellan Pets. 350●
Magnet Metals 32●
Metramar Minerals 25● 31● ½
Minnesota Mining £25½●
Mount Carrington 63
North Broken Hill 199● 4
North West Mining 158● 60
Oakbridge 180
Offshore Oil 18
Ohio Resources 115
Oil Co. of Australia 19½ 19
Oil Search 14¼ ¼
Pancontinental 370● 82
Peko-Wallsend 555● 5
RCA £11⅛
Poseidon 343●
Raytheon £37½●
Revisan 12●
Sabina 37●
Samantha Expln. 93● 4
Santos 720● 30●
Southern Goldfields 49●
Southern Pacific Pets. 153● 48● 50● 50
Spargo 53● 51●
Standard Oil of Ohio £24½● 4
Sterns Diamond Org. 79½ 80
Sun Co. £18⅛
Swire Pacific A 67½● 8½●
Target Pets. 30●
Teck Corp. B C$21● p770●
Toshiba 45½●
Unilever NV £25 45●

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

* Denotes Irish currency.

OCTOBER 2

OCTOBER 1

SEPTEMBER 30

LOCAL AUTHORITY BOND TABLE

Authority (*telephone number in parentheses*)	Annual Interest: gross interest	Annual Interest: payable	Minimum sum	Life of bond
	%		£	Year
Knowsley 051 548 6555	13½	½-year	1,000	4-5
Redbridge 01 478 3020	13½	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.75 2 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	*10.25*	*10.50*	*11.75*	*12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.*
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12.00 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	*12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.*
Guardian	10.25	10.75	—	12.25 6 mth., 11.75 3 mth., min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., 12.00 6 months' notice
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	*10.50*	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	13.10 6 yrs., 12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.75	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.00 1 yr.
New Cross	11.00	11.25	—	11.25 12.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	*10.00*	11.00	12.50	11.75 6 mth., 12.00 wdl. 1 mth. loss int.
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yrs., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.6 WDL 1 mth. loss int.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25 12.50 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	10.75 (6 mths.), rising to 12.50 (5 yrs.)

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

The Treasury bill rate fell by 0.0700 per cent at yesterday's auction to 14.2617 per cent, and the minimum accepted bid rose to £96.44 from £96.425. Bids at that level were met as to about 62 per cent and above in full. The £200m bills on offer attracted bids of £778.425m, and all bills offered were allotted. Next week a further £200m will be on offer, replacing maturities of £300m.

Day-to-day credit remained in good supply in the London money market, and the authorities did not intervene. The market was faced with a small increase in the note circulation, but this was more than offset by a moderate excess of Government disbursements over revenue transfers to the Exchequer. Discount houses were paying 15¼-15½ *per cent for secured call loans* at the start, with later balances taken at 15-15¼ per cent.

In the interbank market weekend loans opened at 15⅞-16 per cent, and traded there for most of the morning before easing to 15¼-15¾ per cent through to 15-15½ per cent around 2 pm. Closing balances were taken between 12 per cent and 14 per cent.

EXCHANGES AND BULLION

Trading was mostly dull and uneventful in currency markets yesterday with the onset of the weekend. The U.S. dollar finished around the middle of the day's range, and was little changed from Thursday. The market was subdued ahead of *weekly U.S. money supply* figures, which were due out after the close of business in London. Against the D-mark the dollar closed at DM 1.8105 compared with DM 1.8120 previously, and SwFr 1.6440 from SwFr 1.6450 in terms of the Swiss franc. The Japanese yen continued to improve, reaching a new 18-month high, with the U.S. unit quoted at Y207.50 compared with Y208.00 on Thursday. On Bank of England figures, the dollar's trade weighted index eased to 83.4 from 83.5.

Sterling was slightly firmer overall, and its trade weighted index rose to 75.8 from 75.7, having stood at 75.8 at noon, and 75.7 in the morning. Against the dollar it opened at $2.3870 and eased initially to $2.3850, before recovering around lunchtime to $2.3875. During the afternoon the dollar softened slightly, and this together with renewed demand for sterling, pushed up the rate to $2.3910. The pound closed at $2.3885-2.3895, a rise of 20 points from Thursday.

Gold closed $7 an ounce lower at $662-665, a loss of $35 on the week, after rumours of increased oil production from OPEC, and higher U.S. interest rates.

THE POUND SPOT AND FORWARD

Oct. 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3850-2.3910	2.3885-2.3895	0.48-0.38c pm	2.16	1.17-1.07 pm	1.87
Canada	2.7840-2.7940	2.7900-2.7910	1.32-1.22c pm	5.46	2.50-2.40 pm	3.51
Nethlnd.	4.68-4.72	4.69¾-4.70¾	2¾-1¾c pm	5.74	6½-5½ pm	5.10
Belgium	69.25-69.55	69.40-69.50	27-17c pm	3.80	55-45 pm	2.88
Denmark	13.32-13.36	13.33½-13.34½	par-1½ore dis	−0.62	3½-5 dis	−1.27
Ireland	1.1505-1.1550	1.1535-1.1545	0.25-0.17p pm	2.18	0.52-0.43 pm	1.65
W. Ger.	4.31-4.34	4.32½-4.33½	3¼-2¼pf pm	7.62	7¼-6¾ pm	6.70
Portugal	119.50-120.20	119.80-120.00	10-15c dis	−1.25	30-130 dis	−2.67
Spain	176.25-176.55	176.30-176.40	75-130c dis	−6.97	300-375 dis	−7.65
Italy	*2056-2062*	*2060-2061*	*9¼-12¼lire dis*	*−6.55*	*44¼-47¼dis*	*−8.98*
Norway	11.61-11.64	11.62-11.63	5-3¾ore pm	4.45	11⅛-9⅞ pm	3.65
France	10.02-10.05	10.03¾-10.04¾	4-3c pm	4.18	8½-7½ pm	3.19
Sweden	9.93-9.96	9.94-9.95	par-¾ore dis	−0.45	1½-1⅞ dis	−0.60
Japan	492-498	495½-496½	2.20-1.85y pm	4.90	5.05-4.70 pm	3.93
Austria	30.55-30.70	30.62-30.67	14-11gro pm	4.89	27-21 pm	3.13
Switz.	3.91½-3.94½	3.92½-3.93½	4¼-3¼c pm	11.07	9⅝-8⅞ pm	9.54

Belgian rate is for convertible francs. Financial franc 69.60-69.70. Six-month forward dollar 1.35-1.25c pm. 12-month 1.40-1.25c pm.

GOLD

	Oct. 3		Oct. 2	
Gold Bullion (fine ounce)				
Close	$662-665	(£277-278¼)	$669-672	(£280¼-281½)
Opening	$669-672	(£280½-281½)	$678-681	(£284-285½)
Morning fixing	$670.25	(£280.674)	$675.75	(£283.179)
Afternoon fixing	$660.50	(£276.452)	$665.75	(£278.930)
Gold Coins				
Krugerrand	$682-684	(£285-287)	$689-691	(£288½-290½)
1/2 Krugerrand	$349-353	(£146-149)	$350-355	(£146-149)
1/4 Krugerrand	$177-181	(£74-77)	$178-182	(£74½-76½)
1/10 Krugerrand	$72-75	(£30-32)	$72-75	(£30-32)
Mapleleaf	$676-679	(£283-286)	$683-687	(£286-289)
New Sovereigns	$168-169	(£70-71)	$169½-170½	(£71-72)
King Sovs.	$191-192	(£79½-80½)	$192-194	(£80½-82)
Victoria Sovs.	$191-192	(£79½-80½)	$192-194	(£80½-82)
French 20s	$166½-168		$168-171	
50 pesos Mexico	$819-822		$824-828	
100 Cor. Austria	$641-647		$650-654	
$20 Eagles	$772-776		$779-782	

EXCHANGE CROSS RATES

Oct. 3	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.389	4.330	496.0	10.04	3.930	4.703	2061.	2.791	69.45
U.S. Dollar	0.419	1.	1.812	207.6	4.202	1.645	1.968	862.5	1.168	29.07
Deutschemark	0.231	0.552	1.	114.5	2.318	0.908	1.086	475.9	0.644	16.04
Japanese Yen 1,000	2.016	4.817	8.730	1000.	20.24	7.923	9.481	4154.	5.626	140.0
French Franc 10	0.996	2.380	4.314	494.1	10	3.915	4.685	2053.	2.780	69.19
Swiss Franc	0.254	0.608	1.102	126.2	2.554	1.	1.197	524.3	0.710	17.67
Dutch Guilder	0.213	0.508	0.921	105.5	2.135	0.836	1.	438.2	0.593	14.77
Italian Lira, 1,000	0.485	1.159	2.101	240.7	4.871	1.907	2.282	1000.	1.354	33.71
Canadian Dollar	0.358	0.856	1.552	177.7	3.597	1.408	1.685	738.4	1.	24.89
Belgian Franc 100	1.440	3.440	6.235	714.2	14.45	5.659	6.771	2967.	4.018	100.

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 3)

3 months U.S. dollars: bid	3 months U.S. dollars: offer	6 months U.S. dollars: bid	6 months U.S. dollars: offer
bid 13 11/16	offer 13 13/16	bid 13 11/16	offer 13 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust

LONDON MONEY RATES

Oct. 3 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ●	Eligible Bank Bills ●	Fine Trade Bills ●
Overnight	—	12-16	—	—	—	15¾-16¼	15-15½	—	—	—
2 days notice	—	—	16¼-16⅜	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15⅞-16⅛	16¼	—	16⅜	16⅜-16½	15¼-15⅜	—	—	—
One month	16 1/16-16 1/16	16-16⅛	16¼	16⅞-17¼	16 7/16	16½	15⅝	14 13/16	16 1/16	16¾
Two months	16 1/16-15 15/16	15 15/16-16 1/16	—	16-16½	16¼	—	14¾-14⅞	14 11/16	15 15/16-15 15/16	16¼
Three months	15¾-15 11/16	15⅝-15¾	15⅝-15¾	15⅞-16⅛	16	16⅛	14¼-14⅛	14¼-14 3/16	15 1/16	15⅞
Six months	14 13/16-14 11/16	14 11/16-14 13/16	14⅞-15	14½-14⅞	15 1/16	15¾	—	—	13¾	14½
Nine months	14 1/16-13 15/16	14¼-14⅜	—	14⅜-14¾	14½	15	—	—	—	—
One Year	13⅝-13½	13⅞-14	14	14-14¼	14¼	14¾	—	—	—	—
Two years	—	—	13⅝-13¾	—	—	—	—	—	—	—

Local authority and finance houses seven day's notice, others seven day's fixed. Long-term local authority mortgage rates nominally three years 13⅝ per cent; four years 13½-13⅝ per cent; five years 13½-13⅝ per cent. ● Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14⅝-14 11/16 per cent; four-month trade bills 15⅜ per cent.

Approximate selling rate for one-month Treasury bills 14 9/16-14 11/32 per cent; two-months 14 7/32-14 11/32 per cent● three-months 14 13-64ths-14¼ per cent. Approximate selling rate for one-month bank bills 15 13/16-15 25/32 per cent; two-months 15 27/32-15 9/16 per cent; three-months 14 25/32 per cent● one-month trade bills 16½ per cent; two-months 16 per cent and three-months 15¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association): 16½ per cent fro mOctober 1, 1980. Clearing Bank Deposit Rates for sums at seven day's notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.2617 per cent.

CURRENCY MOVEMENTS

Oct. 2	Bank of England Index	Morgan Guaranty Changes %
Sterling	75.7	−29.9
U.S. dollar	83.5	−9.9
Canadian dollar	80.0	−17.8
Austrian schilling	154.6	+24.2
Belgian franc	114.4	+13.0
Danish kroner	105.9	−5.1
Deutsche mark	152.7	+42.8
Swiss franc	197.1	+80.5
Guilder	125.7	+19.9
French franc	100.3	−6.2
Lira	52.1	−51.8
Yen	137.5	+35.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Oct. 3	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16⅛-16⅜	13¼-13½	9½-10½	9⅜-9½	1-1¼	8 7/16-8 11/16	11½-11¾	14-17	4⅞-5	9½-10
7 days' notice	16⅛-16⅜	13¼-13½	9½-10½	9½-9 11/16	1½-2	8 11/16-8 13/16	18⅞-12⅛	18¼-20¾	13¼-13⅜	10-10½
Month	16¼-16⅜	14-14¼	10⅞-11¼	9⅝-10	4¾-4⅞	8 11/16-8 13/16	12⅛-12⅜	22-23½	14⅛-14¼	10⅝-10⅞
Three months	15 11/16-15 13/16	13½-13¾	11½-11⅞	10-10¼	5 3/16-5 5/16	8 11/16-8 13/16	12⅜-12⅝	24½-25½	13⅝-13¾	10⅝-10⅞
Six months	14⅞-15	13½-13¾	12⅛-12½	10⅛-10 5/16	5 7/16-5 9/16	8⅝-8¾	12⅞-13⅛	24¾-25¾	13¾-13⅞	10¾-11
One Year	14 7/16-14 9/16	13⅝-13⅝	12⅜-12⅝	10⅛-10 5/16	5½-5⅝	8 5/16-8 7/16	13-13⅛	24-25	13½-13⅝	10⅛-10⅜

Long-term Eurodollar two years 13-13¼ per cent.; three years 13-13¼ per cent; four years 13-13¼ per cent; five years 13-13¼ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.10-13.20 per cent; three-month 13.25-13.35 per cent; six-months 13.30-13.40 per cent; one-year 13.20-13.30 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 3	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.6321	+2.12	+0.78	±1.53
Danish Krone	7.72336	7.82055	+1.26	−0.08	±1.64
German D-Mark	2.48208	2.53452	+2.11	+0.77	±1.125
French Franc	5.84700	5.88169	+0.59	−0.75	±1.3557
Dutch Guilder	2.74362	2.75277	+0.33	−1.01	±1.512
Irish Punt	0.668201	0.675889	+1.15	−0.19	±1.668
Italian Lira	1157.79	1207.07	+4.26	+2.97	±4.08

Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Oct. 3	£	$		£ Note Rates
Argentina Peso	4616-4626	1932-1939	Austria	30.45-30.75
Australia Dollar	2.0310-2.0350	0.8510-0.8515	Belgium	69.10-69.70
Brazil Cruzeiro	136.61-137.61	57.39-57.59	Denmark	13.28-13.38
Finland Markka	8.74-8.75½	3.6600-3.6610	France	9.98-10.05
Greek Drachma	102.146-104.808	42.75-42.90	Germany	4.31-4.35
Hong Kong Dollar	11.919-11.93	4.9930-4.9940	Italy	2055-2150
Iran Rial	n.a.	n.a.	Japan	494-499
Kuwait Dinar(KD)	0.634-0.640	0.2673-0.2674	Netherlands	4.68-4.72
Luxembourg Frc.	69.40-69.50	29.05-29.07	Norway	11.60-11.70
Malaysia Dollar	5.0840-5.0950	2.1295-2.1315	Portugal	117½-126
New Zealand Dlr.	2.4280-2.4330	1.0170-1.0180	Spain	171-181¼
Saudi Arab. Riyal	7.88-7.94	3.3190-3.3205	Sweden	9.92-10.02
Singapore Dollar	5.0185-5.0305	2.1020-2.1040	Switzerland	3.91½-3.94½
Sth. African Rand	1.7975-1.7990	0.7525-0.7530	United States	2.38¼-2.39¼
U.A.E. Dirham	8.76-8.82	3.6885-3.6900	Yugoslavia	72½-74½

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 4/10/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
Bank Ireland 10pc Cv. 91/96	1.20	152.00	47.6	77-81	6.6	3.9	−19.2	−19 to −10	0.0	4.7	2.5	+21.7
British Land 12pc Cv. 2002	7.71	308.00	333.3	80-97	4.0	1.3	−1.7	−6 to 4	17.2	92.3	24.0	+25.7
Hanson Tr. 6½pc Cv. 88/93	3.02	93.00	57.1	76-81	7.0	7.4	−7.5	−8 to 1	3.1	0.0	−3.1	+4.4
Slough Ests. 10pc Cv. 87/90	5.44	268.00	187.5	78-85	3.8		−0.0	−6 to 2	28.2	35.3	2.6	+2.7
Slough Ests. 8pc Cv. 91/94	24.88	125.00	78.0	80-91	6.5	5.2	12.1	11 to 19	25.8	49.2	20.9	+8.9
Wilk. Match 10pc Cv. 84/98	11.10	91.00	40.0	76-83	11.3	11.5	24.3	22 to 55	15.3	25.5	13.8	−10.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

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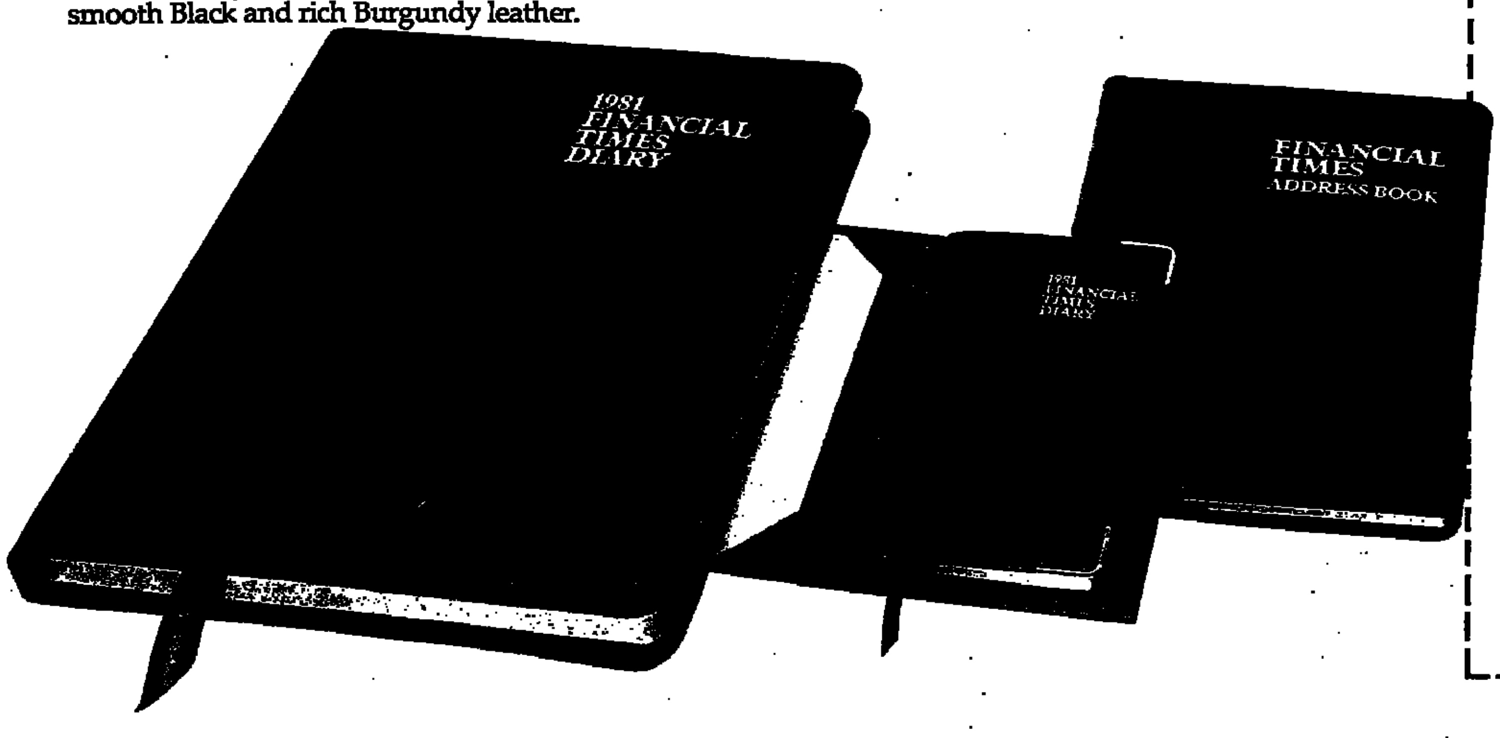

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Financial Times Saturday October 4 1980

BOOKS

Why did Virginia Woolf commit suicide? BY RACHEL BILLINGTON

Leave the Letters till we're Dead: The Letters of Virginia Woolf. 1936-1941
edited by Nigel Nicholson, assistant editor; Joanne Trautmann. The Hogarth Press, £15.00. 556 pages

This final volume of Virginia Woolf's letters leads up to her suicide in March 1941. It is therefore compulsive reading, not just as the others are, for their excellent pieces of writing, entertaining gossip and insight into the character of pre-war literary life, but as a detective story. Why did she choose to die?

The majority of these letters are written to three women: Virginia Woolf's sister, Vanessa Bell, her one-time lover Vita Sackville-West and her devoted friend, Ethel Smyth. To Vanessa *she is most revealing* about her feelings and also, perhaps more surprisingly since she was not a fellow writer, addresses to her some of the richest letters, particularly during the war period. To Vita she seems most emotionally intimate but with little attempt at description or information. As for Ethel, the major receiver, Virginia says, "I scribble to you as I scribble to a diary." Ethel, however, would have been wrong to take this as a compliment for, though a great bonus for us, it meant that she neither loved nor respected her as she did the others. "Ethel's new dog is dead. The truth is no dog can stand the strain of living with Ethel."

Of course there are many many other correspondents, though the female of the species almost always calls forth a better letter than the male. There is Elizabeth Bowen, Mary Hutchinson, her niece, Angelica Bell, to whom she gave an allowance, Octavia Wilberforce, who tried to help her towards the end, and many old friends (or enemies) like Violet Dickenson, Victoria Ocampo and Ottoline Morrell. The men include T. S. Eliot, who always sent her his new poems even though they no longer met, Hugh Walpole, Duncan Grant and Stephen Spender. But in the end it is the letters to her three female intimates which provide the developing pattern.

The volume starts on January 1, 1936. In her writing life, it covers the period in which she revised and saw published *The Years* and wrote and published *The Life of Roger Fry* and *Three Guineas*. She had just finished *Between the Acts* at the time of her death and it was her conviction of its failure that is supposed to be the major cause of her suicide. On March 20 she wrote to John Lehmann (who had joined The Hogarth Press as a director fairly recently):

"I've just read my so-called novel over; and I really don't think it does. It's much too slight and sketchy. Leonard doesn't agree. So we've decided to ask you if you'd mind reading it and give your casting vote? Meanwhile don't take any steps." [To publish it.]

Certainly there are historic reasons for believing it was the gloom turning into madness which overcame Virginia after finishing any novel which this time caused her to take her life. She had been near the edge before. Nevertheless in these letters unlike her Diaries there is hardly any reference to her writing, except to the horror of interruptions. During the war she writes to Ethel from Rodmell,

"... no sooner have I bound myself to the book, and brewed that very rare detachment, than some old lady taps at the door. How is she to grow potatoes or tomatoes?"

In fact some of the most brilliant (and vitriolic) passages in the book chronicle Virginia's reaction to unwelcome visitors. There is an obvious comparison to Evelyn Waugh which suggests *that there is nothing more* threatening for the thin-skinned writer of fiction than to feel an unsympathetic presence despoiling the delicate fabric of his or her own created world. In someone else's home, a bore is material. In his own, it is a personal insult.

Generally, the tone of the letters is more descriptive than subjective. Images remain. Leonard holding political meetings in their London drawing-room while Virginia, trying to work next door, strives to shut out their strident voices. Virginia at The George Inn in Northumberland watching two spinsters "turn upon each other with such ferocity over patience that the room rang."

And then comes the war. Almost immediately, Virginia and Leonard took up permanent residence in Sussex. This made them close spectators of the Battle of Britain, fought above their heads. Later, during the London Blitz, they had the experience of seeing their house bombed out of existence. To return to our detective theme, it would therefore be tempting to make the war central cause for Virginia's suicide. Yet the truth seems subtler. For it was not that the war itself, the death and destruction, that filled her with despair. In a sense she was not political enough to feel that. It was the effect it had on her ability to function as a writer.

She was forced for the first time to live a full-time country existence, something which in the past was saved for her periods of recuperation after too much writing or over-stimulation in town. But this stimulation was an essential part of the balance to her life. She loved London, the "passion of my life. that is the City of London." Without it, war or no war, she went into a decline. It was impossible to simulate the excitement with friends in the country—even without the problem of war-time conditions—for then she would have had no Rodmell to which she could retreat.

She did, of course, have Leonard. The war had not taken him from her. On the contrary, it had inevitably brought them into closer contact than ever. Yet he, who had apparently saved her from final depression before, could not do it this time. Why was this? Is it too crude to suggest that she needed parties, conversation, scenes created by other people? That her own drawing room, however much ordered to her convenience by the assiduous Leonard, became eventually a prison? Death the only escape.

Leonard's role was, certainly, an extraordinarily difficult one. Was he to preserve the flame of genius at his own expense? And was he so indispensable? Virginia suggests this was the case in a letter written to Vanessa, then staying abroad. She says she would love to join her but can't leave Leonard. "... if I weren't so hurried I would conceal it; but the fact is we are so unhappy apart that I can't come." Thus they were bound together for life. But was this an altogether healthy situation? Virginia wrote three suicide letters, two to Leonard and one to Vanessa. The main *theme of all three is that she* cannot put Leonard through the misery of another bout of madness. "I can't go on spoiling your life any longer," she writes in one. And in another: "I am wasting your life." She is saying, in effect, that she is committing suicide to spare Leonard. An odd reason, indeed, even for someone in the grip of "madness."

Yet Nigel Nicholson, who has re-ordered these letters in what seems a most sensible way so that they now spread over ten days, believes that Virginia did not fall madly, unknowingly into her death but chose to *die*. "She died courageously on her own terms." If that is so, then one must believe, unless one takes a Japanese point of view, that Leonard had ultimately failed.

On the other hand, perhaps this was some final cruelty of *Virginia's towards* Leonard. Perhaps the truth again lay in her feelings towards her work and had nothing or very little to do with her husband. In two letters she indicates the second important effect that war had on her. First in September 1940:

"I try to write of a morning. It's odd to *feel oneself writing* in a vacuum—no one will read it. I feel the audience has gone. Still, so oddly, is one made, I feel I must spin my brain even in a vacuum."

Then in March 1941, only a few days before her suicide, she writes these simple but moving words, "*It's difficult*, I find, to write. No audience. No private stimulus, only this outer roar." To my mind, this is the true suicide note, for a novelist the most fearful of all realisations, the world no longer malleable, "Only this outer roar."

Nigel Nicholson and Joanne Trautmann deserve a supreme literary medal for so magnificently presenting this collection of letters. It has gradually become a creative work in its own right. The tragic end to the macabre detective story is a fitting climax.

Fiction

Time and a day BY ISABEL QUIGLY

Joshua Then and Now
by Mordecai Richler. Macmillan, £6.95. 435 pages

The Song of the Nightingale
by Bruce Arnold. Hamish Hamilton, £6.95. 272 pages

Secret Rendezvous
by Kobo Abe. *Translated from* the Japanese by Juliet Winters Carpenter. Secker and Warburg. £5.95. 179 pages

It is harder to describe a rich, long book like *Joshua Then and Now*, Mordecai Richler's first novel for nearly a decade, than it is to give its flavour or effect. You can say that it covers a very broad canvas and is set mainly in Canada, London and Ibiza during the past thirty-odd years—with excursions back to childhood beyond them — and that it covers, or tries to cover, a man's entire life and outlook.

You can say that it is also about the world around him, the obsessions that haunt him, the hang-ups that limit him, the historical framework that conditioned him, the influences that made him what he is; about the Spanish Civil War, McCarthyism, Suez, and the way, with the years, political and social ideas fade and run into one another; about being a writer and something of what it entails; about the hero's Jewishness and other *people's non-Jewishness*; and about, among much else, family tenderness, parental feeling and filial feeling, love of children, home, the whole domestic set-up. All this you can say yet give little idea of the book's virtuosity and variety, its amusingness, its particular spirit.

For English readers it has a special interest and even poignancy because it recalls (retrospectively a little wide-eyed) certain scenes and atmospheres and even real people of the past few years in some detail; the lay-out and alteration of parts of London across the 1950s, 1960s and 1970s, for instance, the *moments* that signalled change, the particular meanings of this or that event, historical or social.

Its technical complexity is remarkable, somehow managing to keep the flow of time and the rhythm of parallel narratives going: boyhood, youth and middle age seen not in straight lines but a series of whirling, interconnected experiences, not merely influencing but as it were charming and infiltrating one another.

This is juggling of a high order with time and memory, cause and effect. love and friendship, conviviality, hatreds. Ancestral memory (as how, in such a book, across such a life, can it fail to?) plays a part, suffusing all that happens; but *what counts most is a present*-day geniality, an irony that colours memory, a sense of the basic affections that makes the novel peculiarly engaging.

What a contrast is *The Song of the Nightingale*, where the action is confined within the experience of a boy of 15, his school, his London home, a few relationships. This is England in the early 1950s where Joshua almost wandered, but so different in effect from Joshua-country that it might be another world, almost another century.

The young narrator is exploring a world of feeling, groping towards understanding of adult attitudes, uneasily strung between conflicting loyalties: to his father above all, an alcoholic womaniser whom he loves, who loves him, to his first girl-friend, to school friends, to the remote man who offers him first a scholarship to travel, then a home, to the religious ideas that fight with his awakening sensuality, to the *various women with* whom his father is connected in the almost infinitely variable relationship known as a love-affair.

The curious and half-explained story has a sort of truthful-sounding arbitrariness about it, lacking stereotypes and therefore recognisable patterns; and the writing, almost in contrast, is confident, compelling, even beautiful. Like the nightingale of his title and first chapter, Bruce Arnold sings with singular purity and precision, yet he lacks (in this *second novel of his) some* of the novelist's skills, the right narrative techniques. Practice should bring them. What counts is the quality of his voice, the finished style, the resonance of his language.

Woman of the Dunes was an extraordinary novel which introduced Westerners to the Japanese novelist Kobo Abe some years ago, and *Secret Rendezvous* is another remarkable novel in which reality is again used with clinical exactness to produce hallucinatory effects, a sense of fiendish yet credible nightmare. The imagination that conjures technological horror in a modern hospital setting is entirely original, powerfully disquieting. What it "means" isn't exactly or in detail translatable (though the translation into English, by an American, reads very well). Its impact, though, is intense and unnerving.

Mordecai Richler: Canada dry

Thin end of Wedgie

BY MALCOLM RUTHERFORD

Tony Benn: A Political Biography
by Robert Jenkins. Writers and Readers. £6.95, 291 pages

Mr. Tony Benn is a conundrum in British politics. The eternal boy scout, he has never abandoned his intellectual short trousers. Whatever the challenges, and they have certainly increased with time, he has clung to the view that it is possible to meet them by the equivalent of rubbing two sticks together.

Mr. Benn entered politics from an upper middle-class nonconformist background and for the constituency previously *represented* by Sir Stafford Cripps. That, plus the fact that the only prize he ever won at school was for divinity, already says a great deal about him. He represents the English puritan tradition and it is not surprising that he should make speeches commending the socialist ideals of the Levellers and the Diggers of the 17th century.

Yet there is another side to him, still not incompatible with the boy scout image. Mr. Benn admires technology and has not always been especially left wing. In the second half of the 1960s he presided over Mintech. Most people have probably forgotten, but the Ministry of Technology was designed to lead British industry into the last third of the 20th century. It worked by promoting mergers and providing State aid, the aim being ultimately to help the private sector. "Technology," Mr. Benn said at the time, "imposes an inexorable scale in our econ*omic life ... we want a climate* favourable to large companies if we are to stand up to the competition from across the Atlantic." The only trouble was that he omitted the need to look at a company's finances before dispensing economic help: many of them continued on their route towards bankruptcy.

Mr. Benn also apparently saw no connection between the need to modernise industry and the need to reduce the workforce. He repeated the error as Secretary of State for Industry in 1974-75 when he held up the redundancies at the British Steel Corporation which, if they had taken place at the time, might have made the situation today considerably easier for all concerned.

The only conclusions that he appears to have drawn since are that it is necessary for the *State to provide yet more money* while it wins the workers' consent to change, and that a Labour Government must get rid of the constraints on its freedom of action in its first few weeks of office. These include the European Commission, the House of Lords, the IMF and preferably the City as well. That was the gist of his speech to the Labour Party Conference in Blackpool this week. It is left unclear how the party could win an election on such a programme, but details like that don't seem to bother him.

One's own view is that it is impossible to take him seriously. Yet there are others who think differently. Mr. Benn is feared by part of the Tory Right and loved by part of the Labour Left, though the Left's adulation does not extend to the trades unions. He is at most a Kerensky figure for a harder Left that lurks behind him.

A biography of such a man *might have explored these con*tradictions. What is Mr. Benn really up to? Does he take himself seriously? Why does he excite so many people so much and antagonise so many others? Instead he emerges from Mr. Robert Jenkins's effort as something of a plodder. There is one rather moving quote. Mr. Benn told the author of his *thoughts on being demoted from* Industry to Energy immediately after the Common Market referendum which he had done so much to bring about: "It was an absolutely major political reverse. The Department of Industry was glad to get rid of me; the Department of Energy didn't want to have me." In that case one can sympathise with the man as well as with the Departments. But Mr. Jenkins should have probed more deeply into the chemistry of it all.

There is also one great oddity. Mr. Benn's redeeming feature is his sense of humour. In this book it is never mentioned. It *is a peculiar author who omits* the chance of telling at least another man's jokes. Somehow the essence of Benn has been missed.

Tony Benn: "Eternal boy scout"

Revolvers in the white wardrobe BY QUENTIN PEEL

Asking For Trouble
autobiography of a banned journalist by David Woods. Victor Gollancz, £8.50. 352 pages

A Season In Paradise
by Breyten Breytenbach, translated from the Afrikaans by Rike Vaugh. Jonathan Cape, £8.50. 296 pages

There have never been many good reasons for visiting the little port of East London, tucked in the eastern corner of South Africa's Cape Province. The town gives an overwhelming impression of greyness: grey sky, grey sea, and grey beach, grey streets and grey buildings. It always seems to rain. Until 1977, however, there were two good reasons. One was the presence, in neighbouring King William's Town, of Steve Biko, the outstanding leader of South Africa's new generation of young blacks, highly intelligent, articulate, and dedicated, the father figure of the Black Consciousness Movement. The second reason was the presence, in East London itself, of a newspaper editor called Donald Woods.

His newspaper, *The Daily Dispatch*, was and is in many ways the typical small town journal, very parochial and usually very profitable, with a circulation somewhere between 20,000-30,000. In one way it was different. In spite of having an overwhelmingly conservative white readership, it was determinedly liberal, a crusading, anti-apartheid mouthpiece. By his own account, Woods was himself, in many ways, a typical South African white liberal: by instinct fairly conservative, by nature self-indulgent, but out of moral conviction and, to some extent, simple detestation of the Afrikaner government, paternalistically reformist. But Donald Woods has always been rather more than that: witty, extrovert, a brilliant raconteur, accomplished pianist, fluent Xhosa-speaker (the local African language), and a natural iconoclast.

His autobiography is the story *of the radicalisation* of a white liberal and how, since 1977, there is no longer much good reason for visiting East London. If it had not been for the presence of Steve Biko in King William's Town, Donald Woods would almost certainly have still been running his newspaper and mildly *irritating the South* African government with his irreverent columns. As it was, he had already been running his newspaper for almost a decade before he discovered that such an outstanding black leader was living in the heart of his circulation area.

Biko was the first "banned person" Woods had ever talked to: banned by the Government from all forms of social contact with more than one person, banned from leaving his home area, banned from setting foot in schools, newspaper offices or factories. He was also, as Woods tells it, the first black man to make him really aware of the daily persecution and harassment in the life of black South Africans. What radicalised him from then on was his personal experience of that treatment at the hands of the security police, and finally Steve Biko's death in police detention.

Before he met Biko, Donald Woods had fairly ready access to Mr. Vorster, the Prime Minister. A sports fanatic, he tells how he actively cooperated with Dr. Piet Koornhof, then Minister of Sport, in allowing a modicum of racial mixing on the cricket field. He even allowed General Hendrik *van den Bergh, the head of the* notorious Bureau for State Security, to pay for his flight to Geneva to argue for South Africa to remain a member of the International Chess Federation. His anecdotes give a revealing insight into the strange mixture of humanity and fanaticism which characterises many of South Africa's ruling Afrikaaner elite.

Donald Woods' story does not give any very profound prescriptions for the future of South Africa. Rather it is most revealing as the apologia of a man now regarded by the great majority of his fellow white *South Africans, as a traitor*, and yet who remains unashamedly South African.

Breyten Breytenbach is another South African traitor, but this time to the even less forgiving Afrikaner volk. He is currently serving a lengthy jail sentence for offences under the Terrorism Act. He was arrested at the end of a secret trip from exile in France, when he had attempted to recruit friends for his Okhela Movement, dedicated to the violent overthrow of the South African government. In the event, his trip was never secret, and he was *trailed throughout by the* security police.

He is also one of the most powerful poets to write in Afrikaans, all too rarely available to non-Afrikaans speaking readers. A season in paradise in his evocation, in poetry and prose, of his last legal visit to South Africa before he was arrested: a passionate, and tortured, tribute to his loved and hated homeland:

"We South Africans, we will go on haunting the world forever," he writes. "We are, all of us, slightly nuts, there is a bleeding crack running through each of us. At the most unexpected moments we give in, the flaw comes to light. We are victims of history and hostages of our own fears ... we keep revolvers in our wardrobes and bottles of liquor in the drawers of our desks. We eat peppermints to sweeten our breaths and write letters to newspapers under pseudonyms. We pray and we hang people. We are maimed, we are only half human, but we know it, we are mad and realise that we are mad. And we never get away from our land."

Guide to Greeneland

BY ANTHONY CURTIS

Ways of Escape
by Graham Greene. Bodley Head. £6.95, 309 pages

Travels with my Aunt
by Graham Greene. Heinemann and Bodley Head. £6.95, 319 pages

The Honorary Consul
by Graham Greene. Heinemann and Bodley Head. £6.95. 334 pages

Anyone who possesses a volume of the handsome Collected Edition of the works of Graham Greene which, with the publication of two novels of the late 1960s and early '70s, *Travels with My Aunt* and *The Honorary Consul* in this format, now totals 21 volumes, will recall the words, invariably stamped at the foot of the dust-jacket, "with an introduction by the author." Like the prefaces of Henry James only much more concisely, these introductions recreate the circumstances in which the novel reissued was written, and point to some of the aims and difficulties, successes and failures, in the author's latterday opinion, in realising what he had originally set out to do.

He remembers his slow labour on *The Power and the Glory* at a time of acute financial difficulty, and his desperate decision to write another novel simultaneously, as quickly as possible in the hope of making some money to pay the bills. The result was *The Confidential Agent*. "It was as if I were ghosting for another man. ... Six weeks of a benzedrine breakfast diet left my nerves in shreds and my wife suffered the result."

A reading of Dickens, not one of Mr. Greene's favourite writers apparently, led him through his admiration for the technical adroitness of *Great Expectations* to attempt the first person narrator himself, in *The End of the Affair*. The plot for *The Third Man* came at the eleventh hour, after a lunch with a young British intelligence officer who told him about the penicillin racket in Vienna and the "underground police" who worked in the sewers.

We have read many of these recollections before, but put together with the addition of newspaper articles written by *Mr. Greene on assignments* abroad, an unpublished notebook of jottings made during the Blitz as seen from Gower Street, an account of his foray into film criticism and brush in the libel courts with the young Shirley Temple, they form a remarkably fascinating novelist's working logbook.

Mr. Greene can be as perceptive about his own work as he is about that of other people. The book includes material from recent broadcasts about his friends, Herbert Read and Evelyn Waugh, but it is mainly about his own novels. Those novels may seem to us to fall *into a grand design for which* his Catholicism provides the blue print. Reading these introductions to them, we are conscious of how much in the first instance they owed to chance, and to that ineradicable dangerlust which beckons Mr. Greene to places with more than their share of tyranny and misery and pain.

Charly was their darling then BY JAMES FRENCH

The Portrait of a General
by John Colville. Michael Russell, £6.95, 246 pages

John Colville, the author of this book, was private secretary to Chamberlain, Churchill and Attlee, and, for two years, the then Princess Elizabeth, a fighter pilot, and is now a director of British, Spanish, French and Portuguese companies.

His great grandfather, Sir Charles Colville, the subject of the portrait, was one of Wellington's generals, and afterwards commander-in-chief in Bombay, and Governor of Mauritius.

When General Charles, aged 48, towards the end of three years' duty with Allied occupation forces in France after Waterloo, married 25-year-old Jane Mure, father-in-law William had the portraits of bride and groom painted by Sir Henry Raeburn.

In a preface the author explains that the Mures sold the pictures in *1912*, and that he was lucky enough to buy Lady Colville from the Sassoons in 1957 for less than she had fetched 45 years before. The General's portrait was in a museum in Atlanta, Georgia, having been sold to the States for less than £1,000 in 1940.

Churchill promised a painting of his to offer Atlanta in exchange (after all, the General had never set foot in Georgia) but the museum said no. Twenty years later, just before Lady Churchill died, she gave Colville Sir Winston's work Trees and Poppies at Lullenden. And in 1978, after some high-powered diplomacy involving Dr. Armand Hammer, the octogenarian influential in oil, art and dealing with the Russians, and the Coca-Cola Corporation (not without sway in Georgia) the exchange was arranged.

General Sir Charles being reunited with Lady Jane so romantically, his great-grandson John was inspired to write his life-story. Apparently when 15, on an educational visit to France, Charles attended a royal ball at Versailles. Marie Antoinette noticed he was the only chap not wearing a wig, asked him why, and invited him to join her in dancing a quadrille.

Most of the book concerns Charles Colville's career in the Peninsular War — yet another well-documented account of participation in one of the success stories of British military history.

Is author John planning a sequel, Portrait of the Son of a General, about his grandfather Charly? Now there was a lad!

He became an officer in the 11th Hussars, which was commanded by the "gallant but insufferable" Lord Cardigan, later to lead the Charge of the Light Brigade in the Crimea. He persuaded Lord Ellenborough to write to Wellington to help him get away from Cardigan, but the Iron Duke was not having any. Charles Colville seduced Lady Cardigan, whose husband divorced her, and obtained a transfer to the Coldstream.

On his way home from India, he broke his journey at Gibraltar, he spent some time at Granada, to paint, and fell in love with a 17-year-old Spanish beauty, Eugénie de Montijo.

Did Queen Victoria know this when, 27 years later, she asked Charles, who by then was chief Conservative whip in the Lords, having succeeded his uncle as Lord Colville, to receive on her behalf the Empress Eugénie, fleeing the 1870 revolution in France? For it was her. It is not explained whether this was part of Charles's duties as Master of the Buckhounds to Victoria. Be that as it may, he became chairman of the Great Northern Railway, and Lord Chamberlain to Queen Alexandra at the coronation of Edward VII.

Beyond the Footlights BY ROBERT COTTRELL

***From Fringe to Flying* Circus**
by Roger Wilmut. Eyre Methuen. £7.95, 284 pages

Roger Wilmut's "celebration and history of 20 years of the very best of British comedy" chronicles the successive generations of mostly Oxbridge-educated actors whose cumulative development is traced from a coming-together for *Beyond the Fringe* to a drifting-apart after *Monty Python's Flying Circus*.

As far as the "celebration" goes, yes, people will buy the book because it has John Cleese on its large glossy cover, and the text is broken up with large chunks of time-honoured scripts. From the historical viewpoint, we are rather long on fact and short on theory. The *Monty Python* generation has produced its own hard-core aficionados, similar to sports fans who quiz one another about who won the cup final in 1932, and in such circles the book's sheer volume of information will make it a valuable source of reference.

But a good read it is not. It is self-conscious, mechanical, badly written, and dressed with literary and social apercus whose intrusive banality is its worst feature.

Such faults are well exemplified in a passage, too long to quote (in full), reviewing the role of the BBC at the birth of *That Was the Week That Was*, on page 57. The Corporation becomes variously "a pillar of society ... a granite monolith ... more like a Roman galley ... construction is semi-feudal ... Board of Governors ... carries out the functions of a constitutional monarch ..." All very colourful, and wholly uninformative.

It is asked more often in egalitarian hope than simple ignorance how a succession of Oxbridge cliques could so consistently dominate the media. Wilmut does show in practical terms just how easy it is for one generation to pull the next on *board. He also addresses a more* interesting variant of the question, namely why such talented young people should choose a career in entertainment rather than in a vocation for which academe might have been expected to prepare them.

LONDON STOCK EXCHANGE

Quiet close to the first week of trading Account but undertone firm awaiting Tuesday's banking figures

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept. 15	Sept. 25	Sept. 26	Oct. 6
Sept. 29	Oct. 9	Oct. 10	Oct. 20
Oct. 13	Oct. 23	Oct. 24	Nov. 3

* "New time" dealings may take place from 9 am two business days earlier.

London equity markets lacked colour yesterday as the first leg of the trading Account drew to a close. Nevertheless, the underlying tone was much steadier than on Thursday when leading shares turned easier following revived fears about the effect of recession on UK manufacturing industry.

The majority of leading industrials moved within extremely narrow limits yesterday, potential institutional investors being content to hold off in the hope that next Tuesday's banking statistics for September may substantiate hopes, revived earlier this week, of a reduction in Minimum Lending Rate before long. However, sufficient funds were still available to absorb a placing of 15.76m shares of European Ferries at a price thought to be around 150p, resulting from EF's acquisiton of Singer and Friedlander.

The FT 30-share index well illustrated the minimal movement in the leaders, registering a loss of 0.3 at 10.00 am before rallying to stand a net 1.1 higher an hour later and settling with a rise of 0.6 on the day at 479.3. Among index constituents, Vickers were a feature owing to encouraging reports emanating from a brokers' seminar.

Elsewhere, numerous bright spots in secondary stocks resulted mainly from speculative interest, while company trading statements produced scattered movements of both a favourable and adverse nature. Of the sectors, Oil shares encountered profit-taking after the show of strength earlier in the week, but the losses were usually modest.

Gilt-edged securities continued to attract a moderate demand, but most institutions were reluctant to make any sizeable commitment ahead of Tuesday's banking figures. Occasional interest was shown in the shorts, which settled a shade harder on the day, after being ¼ easier initially, while longer dated stocks were inclined firmer throughout and closed ¼ better in places.

Southern Rhodesian bonds assented and non-assented to the Zimbabwe Government's settlement offers made progress to the extent of three points. The 2½ per cent 1965-70 non-assented, at £100, 3½ per cent 1980-85 assented, at £42, and 4½ per cent 1987-92, at £25, all closed about that amount higher.

Contracts completed in Traded options amounted to 1,263, or slightly below the week's daily average of 1,466. **BP** remained active yesterday and attracted 513 deals, while **Cons. Gold Fields** and **Lonrho** recorded 146 and 115 trades respectively.

Fc. Finance fall

Against a firmer trend in Hire Purchases, **F.C. Finance** fell 8 to 70p following the interim dividend omission and first-half deficit. **FNFC**, however, gained 1½ to 30½p on renewed speculative support, while **Wagon Finance** edged forward a penny to 41p as did **UDT**, to 41p. Elsewhere, **Royal Bank of Scotland** eased 2 more to 100p as bid hopes again faded. **Grindlays** found support at 146p, up 6.

Further buying ahead of Monday's interim results caused **Hambro Life** to feature Insurances again with a rise of 9 to 317p.

Business in Breweries was sparse and price movements were often restricted to a penny either way. Distilleries remained out of favour and **Distillers** shed 4 more to 206p for a fall on the week of 18.

Secondary issues provided the main focal points in Buildings. Still overshadowed by the poor interim results and the chairman's gloomy statement, **John Laing "A"** gave up 3½ to 41½p for a fall on the week of 13½, while **Crouch Group**, a rising market recently on the sale of two U.S. properties, reacted 4 to 138p. **Wiggins Construct**, however, moved up another 3½ to 34½p and **Aberdeen Construction** improved 3 to 141p, the latter following favourable Press comment. **Ibstock Johnsen** added 2 at 64p in response to better-than-expected half-yearly results.

ICI closed unchanged at 340p after a small two-way business, but on the week were 10 down partly owing to a broker downgrading its profits forecast. Among other Chemicals, **Allied Colloids** eased 3 to 119p, but **Rentokil** hardened a couple of pence to 156p. **Anchor** shed 3 to 70p for a fall on the week of 15 on the sharply lower interim profits and the chairman's gloomy statement, but **Bernard Wardle** jumped 7 to 31p, after 33p, on the agreed bid from **NCC Energy**; the latter resumed dealings at 70p, and closed at 68p which compares with the suspension price of 74p. Dealings were also resumed in **Energy Capital**, in which NCC has agreed to acquire a 28.6 per cent stake, and the close was 91p against the suspension price of 92p.

Lee Cooper good

Principal Store movements were again confined to secondary issues. **Lee Cooper** jumped 15 for a two-day gain of 25 at 165p awaiting interim results, expected soon, while asset injection hopes continued to buoy **Kean and Scott**, 17 better at 115p for a rise of 40 on the week. Speculative interest was shown for **B. Paradise** and **Martin Ford** both 2 dearer at 48p and 25p respectively. Expansion plans and continuing satisfaction with the mid-term statement lifted **Currys** 8 more at 247p, while Press comment helped **Helene of London** improve a penny to 21p. **Empire**, interim results next Wednesday, firmed a couple of pence to 144p.

Leading Electricals passed a quiet session and closed on a mixed note. **Plessey** improved 3 to 233p, but **GEC** relinquished that much at 512p. Elsewhere, **Security Centres**, at 64p, lost 9 of the previous day's rise of 11 on disappointment with the company's proposed acquisition of Maxim Alarms, announced after yesterday's AGM. **Electrocomponents** dipped 8 to 712p as did **Eurotherm** to 270p, but **First Castle Securities** rose 7 to 46p in reply to the sharply increased interim profits.

Engineerings were highlighted by a sudden show of strength in **Vickers**, which rose 10 to 138p, after 140p, on investment buying fuelled by brokers' recommendations following a seminar. Still affected by adverse comment, **GKN** drifted off 2 more to 175p, while **Tubes** eased a similar amount to 226p. Secondary issues displayed no set trend but **Concentric** became a firm feature rising 4½ to 49p, after 50p, on the announcement that Mr. Eng Chin Ah has increased his stake in the company to 7.27 per cent. Renewed demand ahead of Wednesday's half-yearly figures prompted a fresh rise of 3 to 59p in **Amalgamated Power**, while **Spirax Sarco** gained 7 to 185p and **Haden Carrier** put on 4 to 155p. **Westland** ran back 6 to 124p, after 121p

Adverse features in Foods included **Tate and Lyle**, which shed 8 to 150p following bearish Press comment. **Associated Dairies**, still reflecting the chairman's profits warning, lost 2 more to 220p. Elsewhere, **Watson and Philip** put on 4 to 36p owing to the appearance of a single buyer, while **Chambers and Fargus** added a penny to 38p for a gain on the week of 10; Mr. Harvey Michael Ross has increased his stake in the company to 8.9 per cent.

Euro. Ferries placing

Early interest in miscellaneous industrials centred upon **European Ferries** when 15.76m shares were placed with various institutions at a price believed to be in the region of 150p per share; the operation initially depressed European Ferries which fell to 158p before rallying steadily to close at 165p, a rise of 2 on the day. Renewed speculative buying on hopes of a bid from Provincial helped **Pritchard Services** gain 6 to 105p, after 106p, while **Alpine Holdings** put on 4 more for a two-day advance of 14 to 51p following comment on the interim results. American buying prompted a rise of 15 to 520p in **Sotheby's**, while **Watshams** gained a like amount at 357p, the latter on buying in a thin market. Reflecting the strong return to profitability, **L. Ryan** hardened a penny to 12½p, but **G. W. Sparrow** closed 2 off at 68p, after slipping to 60p initially on news of lower first-half earnings. The chairman's profits warning at the annual meeting depressed **Grimshawe**, which finished 8 down at 55p, while sporadic offerings prompted a similar fall in **ICL** at 145p. **Beecham** moved up 3 to 153p, but other leaders drifted lower in thin trading.

Profit-taking in Oils

Motor Components adopted no set trend. **Supra**, which announced good interim results earlier in the week, added 4 more at 60p, while the announcement that Goodyield Plaza holds 10.1 per cent of the company left **Dunlop** a penny firmer at 79p, after 80p. **Flight Refuelling** shed 2 at 260p and support was also lacking for **Automotive Products**, 4 lower at 59p.

In Properties, **Allied London** closed 2 dearer at 238p, after 239p, following the company's agreed £114m bid for housebuilders, **Gough Cooper**. **Scottish Metropolitan** put on 4 to 142p in response to the increased annual revenue and proposed one-for-five scrip issue, while **Town and City** added 1¾ to 26¾p on continued lively interest. **Samuel** firmed 4 to 140p reflecting the company's association with Marathon Oil, while **Winston Estates** added a couple of pence to 56p on Priestgate's increased stake in the company. Good demand arose for **Control Securities**, which firmed a penny to a 1980 peak of 45½p. Similar improvements were seen in smaller-priced stocks such as **Greencoat**, 15¾p, and **Raglan**, 7¾p.

Reports that certain OPEC member countries may step up crude oil production to compensate for the lost exports from Iraq and Iran caused some fairly sizeable profit-taking in Oils, but prices usually closed above the worst as fresh American buying developed in late trading. Firmer at the outset, **British Petroleum** subsequently reacted to close 10 cheaper on balance at 404p. **Shell**, however, recovered from 416p to finish a net 2 dearer at 420p. Outside the leaders, **Berkeley Exploration** reacted 15 to 223p on a North Sea progress report, while **KCA International**, a particularly good market of late, gave up 12 to 156p. **Carless Capel** cheapened 6 to 182p and **Candecca** 4 to 242p. Elsewhere, **Double Eagle** and **Warrior Resources** shed 50 apiece to 760p and 390p respectively, but **Shackleton Petroleum** added 4 to 74p on an encouraging Canadian drilling statement.

Stockjobbers **Akroyd and Smithers** attracted revived support in front of next month's annual results and advanced 25 to 363p.

Golds down again

A further $7 fall in the bullion price to $663.50 an ounce, which left it $35 lower on the week, generated an easier trend in South African Golds. The Gold Mines index slipped 6.3 more to 509.5, but remained 9.7 firmer on the week thanks to Wednesday's advance of 27.4.

Financials fell back reflecting the decline in Golds coupled with widespread losses in base-metal prices. **Gold Fields** dropped 13 to 637p but the bearer remained firm at 760p, a day's gain of 10, following renewed overseas interest.

Charter met with profit-taking and relinquished 7 to 266p, while the uninspiring interim figures left **Tanks** 6 cheaper at 324p. **RTZ** dropped 8 more to 442p, a week's decline of 26, and the 9½ per cent convertible lost £2 more to £4½ premium, after £4.

Australians continued to edge higher although business remained at a low level. In Golds, **Gold Mines of Kalgoorlie** regained 20 to 545p and **North Kalgurli** 3 to 112p, while **Hill 50 Gold** rose 4 more to 55p.

Peko-Wallsend's leading role in Queensland's new oil-from-coal project encouraged renewed buying of the company's shares which advanced 20 more to a year's high of 600p—up 45 on the week. **Oil Company of Australia**, also involved in the project, gained 3 more to 25p, around 7 higher over the week.

The Rundle twins were well supported and reached 1980 highs, having gone ex the nine-for-one scrip issues on Monday; **Central Pacific** put on 15 to 405p and **Southern Pacific** 5 to 152p.

Tins advanced again following persistent bid speculation. **Gopeng**, the current bid favourite, put on 20 more to 790p, after a peak 800p, while **Berjuntai** jumped 30 to 275p. **Ayer Hitam** rose 12 to 335p, **Petaling** 10 to 340p, and **Malayan Tin** were 8 better at a year's high of 128p.

FINANCIAL TIMES STOCK INDICES

	Oct. 3	Oct. 2	Oct. 1	Sept. 30	Sept. 29	Sept. 26	A year ago
Government Secs	70.76	70.71	70.74	70.18	69.74	70.02	72.51
Fixed Interest	71.72	71.67	71.66	71.34	71.35	71.47	72.99
Industrial Ord.	479.3	478.7	483.2	481.0	475.6	481.0	480.4
Gold Mines	509.5	515.8	524.3	496.9	497.9	499.8	222.0
Ord. Div. Yield	7.68	7.68	7.61	7.63	7.72	7.63	6.61
Earnings, Yld. % (full)	17.33	17.32	17.16	17.21	17.41	17.22	17.15
P/E Ratio (net) (*)	7.07	7.07	7.13	7.11	7.03	7.11	7.11
Total Bargains	20,156	20,593	21,816	20,326	19,202	22,215	21,152
Equity turnover £m.	—	137.47	131.67	117.63	105.73	143.27	108.92
Equity bargains total	—	16,075	16,250	15,521	15,684	16,866	17,304

10 am 478.4. 11 am 479.8. Noon 479.7. 1 pm 479.2. 2 pm 479.0. 3 pm 478.7.

Latest index 01-246 8026.

* Nil = 6.57.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.85 (7/5)	127.4 (9/1/36)	49.18 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord.	508.9 (12/9)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines.	558.9 (22/9)	265.5 (18/3)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Oct. 3	Oct. 2
—Daily		
Gilt Edged	95.2	113.7
Industrials	90.9	109.1
Speculative	78.7	98.4
Totals	70.8	84.3
5-day Avrge.		
Gilt Edged	95.5	93.8
Industrials	101.6	101.8
Speculative	99.0	104.8
Totals	77.1	77.5

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 22	Oct. 3	Dec. 18	Dec. 29
Oct. 6	Oct. 17	Jan. 8	Jan. 19
Oct. 20	Oct. 31	Jan. 22	Feb. 2

For rate indications see end of Share Information Service

Calls were transacted in H. Goldman, Raglan Property, European Ferries, Lonrho, ICL, London Investment Trust, Dunlop, Double Eagle, FNFC, Town and City Properties, Charterhall, GKN, Rank Organisation, Fisons, Laporte, Johnson Firth Brown, Benlox and Turner and Newall. No puts were reported, but doubles were arranged in Harris Queensway, FNFC, Town and City and Double Eagle.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS	Fri., Oct. 3, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Oct. 2 Index No.	Wed., Oct. 1 Index No.	Tues., Sept. 30 Index No.	Mon., Sept. 29 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
64	Hire Purchase (5)	227.21	+0.5	10.92	4.44	12.36	226.00	222.98	221.70	221.98	184.85	253.41 (24/7)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	262.81	−0.1	—	5.02	—	262.99	262.38	257.35	257.79	166.30	269.93 (18/9)	151.80 (3/1)	269.93 (18/9/80)	44.88 (2/1/75)
66	Insurance (Composite) (9)	177.02	−0.6	—	6.41	—	178.05	178.20	175.76	176.18	130.62	183.32 (18/9)	117.05 (3/1)	183.32 (18/9/80)	43.96 (13/12/74)
67	Insurance Brokers (9)	343.85	−0.4	13.47	6.73	10.17	345.24	343.45	334.66	334.08	284.80	366.44 (18/9)	256.48 (3/1)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (13)	145.52	+0.2	—	5.27	—	145.28	143.95	143.08	144.21	102.73	148.23 (19/9)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	459.21	+0.3	3.12	2.60	44.69	457.98	457.62	454.08	452.93	379.04	474.19 (12/9)	304.20 (3/1)	474.19 (12/9/80)	56.01 (20/4/65)
70	Miscellaneous (11)	153.99	+0.7	16.68	6.01	7.63	152.90	152.87	152.30	152.49	125.59	157.88 (12/9)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	274.39	+0.1	—	5.30	—	274.00	272.57	269.16	271.69	221.27	283.85 (18/9)	188.97 (3/1)	283.85 (18/9/80)	71.63 (13/12/74)
81	Mining Finance (3)	261.35	−2.0	13.60	5.01	8.76	266.59	271.42	265.58	268.13	139.17	275.72 (24/9)	161.95 (1/1)	275.72 (24/9/80)	66.31 (30/9/74)
91	Overseas Traders (20)	458.42	−0.3	10.97	6.45	10.99	459.75	459.56	456.62	457.57	356.80	459.75 (2/10)	330.03 (3/1)	459.75 (2/10/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	291.86	−0.3	—	6.09	—	292.87	292.41	290.26	289.58	260.42	298.49 (12/9)	225.06 (3/1)	298.49 (12/9/80)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., Oct. 3	Day's change %	Thurs., Oct. 2	xd adj. today	xd adj. 1980 to date
1	Under 5 years	107.35	+0.11	107.23	—	7.62
2	5-15 years	113.44	+0.16	113.25	—	9.59
3	Over 15 years	119.28	+0.07	119.20	—	10.19
4	Irredeemables	133.75	+0.37	133.25	—	9.02
5	All stocks	113.12	+0.11	112.99	—	9.00

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Fri., Oct. 3	Thurs., Oct. 2	Year ago (approx.)	1980 Highs	1980 Lows
1	Low Coupons	5 years	11.58	11.59	10.16	13.32 (4/3)	11.17 (21/7)
2		15 years	11.58	11.58	10.69	13.12 (4/3)	11.11 (21/7)
3		25 years	11.58	11.58	11.22	13.12 (4/3)	11.11 (21/7)
4	Medium Coupons	5 years	12.96	12.97	12.13	15.37 (4/3)	12.45 (21/7)
5		15 years	13.16	13.17	12.27	14.71 (4/3)	12.40 (21/7)
6		25 years	12.94	12.93	12.41	14.50 (4/3)	12.35 (23/7)
7	High Coupons	5 years	13.12	13.13	12.56	15.44 (4/3)	12.71 (17/7)
8		15 years	13.39	13.39	12.78	15.06 (4/3)	12.81 (21/7)
9		25 years	13.18	13.17	12.67	14.92 (4/3)	12.63 (23/7)
10	Irredeemables		11.11	11.14	11.04	12.53 (21/3)	10.80 (21/7)

		Fri., Oct. 3 Index No.	Yield %	Thur. Oct. 2	Wed. Oct. 1	Tues. Sept. 30	Mon. Sept. 29	Fri. Sept. 26	Thur. Sept. 25	Wed. Sept. 24	Year ago app'x.	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	53.72	13.80	53.71	53.88	53.88	53.93	53.96	53.97	53.95	57.61	55.65 (30/7)	49.12 (7/1)	113.43 (22/10/65)	37.06 (5/1/75)
16	Investment Trust Prefs. (15)	51.52	13.14	51.52	51.78	51.78	51.78	51.78	51.78	51.78	50.81	51.79 (19/3)	46.34 (2/1)	114.41 (15/9/63)	34.45 (4/12/74)

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (70)

BRITISH FUNDS (1)
Treas. 3½pc '79-81

CANADIANS (1)
Hawker Siddeley Can.

BANKS (2)
First Nat. Finance · First Nat. Warrants

BEERS (1)
Boddingtons

BUILDINGS (2)
Aberdeen Construct. · Jarvis (J.)

CHEMICALS (2)
Coalite Group · Novo Inds. A/S "B"

STORES (2)
Currys · Dixons Photographic

ELECTRICALS (6)
First Castle · Suter Elec. Defd.
Scholes (G. H.) · Ward & Goldstone
Suter Elec · Whitworth Elec.

ENGINEERING (4)
Brotherhood (P.) · Haden Carrier
Concentric · Saville Gordon

FOODS (1)
Singlo

INDUSTRIALS (6)
AGB Research · Standard Ind.
Petrocon · United Carriers
Pritchard Services · Watshams

INSURANCE (1)
Hambro Life

MOTORS (1)
Kwik-Fit

PROPERTY (6)
Greencoat · Scottish Metropolitan
Raglan Property · Town & City
Control Secs. · Winston Estates

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	48	2	45	222	105	138
Corpns. Dom. & Foreign Bonds	4	2	59	63	19	243
Industrials	210	214	968	1,112	1,248	4,600
Financial and Prop.	124	64	306	620	614	1,229
Oils	8	30	18	125	65	90
Plantations	4	4	16	20	28	79
Mines	33	63	63	242	258	295
Others	58	40	79	228	285	390
Totals	489	419	1,554	2,642	2,601	7,069

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Financial Times Saturday October 4 1980

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	53.4	57.4	+0.6	2.53
Abbey Capital	42.7	46.2	-0.1	5.30
Abbey General	53.2	57.5	-0.3	5.46
Abbey Gilt & F.I. Tst.	113.7	119.7	.....	11.43
Abbey Income	33.5	36.2xd	+0.1	9.56
Abbey W'Wide Bd Tst	92.2	97.6	+0.5	6.86
Abbey Inv. Tst. Fnd.	46.7	50.5	+0.1	5.03
Equitas Prog. Tst.	82.0	88.4	-0.1	4.86

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	93.2	98.1	+0.2	12.37

Allied Hambro Ltd. (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	86.4	92.4	-0.2	6.01
Brit. Inds. Fund	77.4	82.8	-0.1	6.28
Growth & Income	48.2	51.6	-0.1	5.39
Elect. & Ind. Dev.	43.2	46.2	-0.1	5.30
Allied Capital	90.8	97.2xd	-0.5	4.58
Hambro Fund	132.3	141.6	-0.4	6.13
Hambro Acc. Fund	170.4	182.3	+0.1	4.94
Income Funds				
High Yield Fd.	64.3	68.8	+0.1	10.03
High Income	76.2	81.5xd	.....	7.79
A. H. Eq. Inc.	44.7	47.8	+0.1	7.59
Govt. Secs.	26.7	27.4	.....	11.61
International Funds				
International	33.3	35.6	+0.2	3.03
Pacific Fund	57.4	61.4	+0.3	2.00
Secs. Of America	65.4	70.0	+0.9	2.57
Specialist Funds				
Smaller Co.'s Fd.	52.2	55.9	.....	4.56
2nd Smlr. Co's Fd.	60.7	65.0xd	-0.1	4.62
Recovery Sits.	128.2	137.2	+0.2	6.09
Met. Min. & C'dty.	73.7	78.9	+0.5	3.74
Overseas Earnings	67.3	72.0	-0.2	5.35
Exempt Funds				
Income Exempt	—	50.0	.....	8.50
Far East Exempt	64.0	66.6	+0.6	2.25
Smaller Co. Exempt	80.0	84.0xd	-0.2	4.76
U.S.A. Exempt	113.9	118.5xd	+1.1	2.95

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	66.6	71.2xd	.....	4.75

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	145.0	155.0	.....	12.06

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital†	31.2	33.6	.....	—
Commodity***	96.7	106.6	.....	2.60
(Accumulation)	152.7	168.9	.....	2.60
(10% Withdrawal)	77.3	83.5	.....	2.60
Eastern & Internatl.†	34.6	37.4	.....	1.00
(6% Withdrawal)	23.5	25.3	.....	1.00
Extra Income	95.6	104.0	.....	9.92
(Accumulation)	109.0	118.5	.....	10.29
Finance & Property*	24.7	26.6xd	.....	3.92
Foresight†	115.3	121.0	+0.9	1.00
Giants	41.5	44.8	-0.2	3.20
(Accumulation)	53.2	57.4	-0.2	3.20

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4985

High Income	37.0	40.4	+0.3	11.19
North American	55.2	59.4xd	+0.4	2.89
Canadian Exempt*	59.8	63.3	.....	3.73
Canadian Trust	60.5	65.4	+0.2	2.74
Mid Mount High Inc.*	48.1	50.9	.....	9.48
Recovery	60.3	65.6	+0.9	6.58
Gilt Trust	44.7	46.7	-0.1	12.41

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	34.6	37.3	+0.4	1.01
Cres. Internat'l.	69.6	75.1	+0.1	2.33
Cres. High. Dist.	42.0	45.3	+0.1	10.76
Cres. Reserves	50.2	54.2	-0.2	5.54
Cres. Tokyo	24.6	26.5xd	+0.3	0.71

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.7	25.0xd	.....	12.34

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Sept. 26	219.5	234.2	.....	5.72

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.3	19.1	.....	7.60
Gt. Winchester O'seas.	23.8	26.4	.....	4.22

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	85.6	92.1	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	84.5	88.9	-0.1	4.97

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4991

American	29.3	31.4	+0.2	1.04
Gilt + Fixed Int.	26.0	27.4	.....	11.97
Growth + Income	31.1	33.5	+0.1	7.22
Special Sits.	37.2	40.1xd	+0.6	2.21

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	34.6	37.2xd	.....	1.60
Accum. Units	42.6	45.7xd	.....	1.60
J. Finlay High Income	33.7	36.2xd	.....	10.89
J. Finlay Euro.Fin.	21.0	22.6xd	.....	4.03
Accum. Units	26.2	28.2xd	.....	4.03
J. Finlay Fd.In.Tst.	37.3	40.1xd	.....	5.56
Accum. Units	46.0	49.5	.....	5.66

Prices on Sept. 30. Next dlg. Oct. 8

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen. Sept. 29	65.8	70.2	.....	0.98
Am. T'around Sept. 29	61.0	65.2	.....	1.83
Capital Tst.	57.0	60.8xd	.....	5.52
(Accum. Units)	59.4	63.4	+0.2	5.52
Extra Income Trust	49.6	53.0	+0.4	10.30
Income Tst.	39.0	41.6	.....	8.53
Int. Growth Fd.	54.2	57.8	+0.4	1.85
(Accum. Units)	57.6	61.6	+0.6	1.65

Friends' Provdt. Trust Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	59.0	63.0	-0.2	4.42
Do. Accum.	83.2	88.9	-0.2	4.42

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Oct. 2	133.2	136.9xd	.....	5.11
Gross Inc. Oct. 2	81.6	84.4	.....	11.14
High Yield Oct. 2	94.5	96.1	.....	10.82

*Unauth. Restricted to monies under Court control.

INSURANCE PROPERTY BONDS

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Sel. Mkt. Fd. Cap.	107.8	113.9	.....	—
Sel. Mkt. Fd. Std.	130.4	137.7	.....	—
Pension Equity	169.1	174.2	.....	—
Pension Fxd. Int.	146.0	150.5	.....	—
Deposit Fd. Acc.	57.0	60.1	.....	—
Equity Fd. Cap.	52.5	55.3	.....	—
Equity Fd. Acc.	59.0	62.2	.....	—
Fxd. Int. Cap.	49.9	52.6	.....	—
Fxd. Int. Acc.	55.4	58.4	.....	—
Intnl. Cap.	38.5	40.6	.....	—
Intnl. Acc.	44.4	46.8	.....	—
Managed Fd. Cap.	51.0	53.7	.....	—
Managed Fd. Acc.	56.8	59.9	.....	—
Property Fd. Cap.	69.9	73.7	.....	—
Property Fd. Acc.	75.7	79.8	.....	—

Provincial Life Assurance Co. Ltd.
222 Bishopsgate, EC2. 01-247 6533

Prov. Managed Fd.	149.4	157.3	-0.1	—
Prov. Cash Fd.	125.8	132.5	.....	—
Gilt Fund	136.5	143.7	.....	—
Property Fund	130.3	137.2	.....	—
Equity Fund	137.3	144.6	-0.2	—
Fxd. Int. Fund	115.5	121.6	.....	—

Prudential Pensions Limited♦
Holborn Bars, EC1N 2NH. 01-405 9222

Equity Fd. Sep. 19	35.96	37.07	.....	—
Fixed Int. Sept. 19	24.00	24.33	.....	—
Prop. Fd. Sept. 19	40.83	42.09	.....	—

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271

Rel. Prop. Bds.		296.3	.....	—

Rothschild Asset Management
St. Swithins Lane, London EC4. 01-626 4356

N.C. Prop.	159.0	169.1	.....	—

Next sub. period Sept. 30/Oct. 15

Royal Insurance Group
New Hall Place, Liverpool. 051-227 4422

Royal Shield Fd.	191.7	202.6	.....	—

Welfare Insurance Co. Ltd.♥
Winslade Park, Exeter. 0392-52155

Moneymaker Fd.		119.8	-0.7	—

For other funds, please refer to The London & Manchester Group.

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	96.6	101.6	+1.3	—
Accum. Pen. Units	144.6	152.1	+4.4	—
Flex. Inv. Growth	121.5	127.9	.....	—
Future Assd Growth	26.0(A)	58.0(B)	.....	—
Ret. Ass'd Pen.		£30.60	-1.29	—

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 79933

Albany $ Fd. (CI)	US$170.07	172.38xd	.....	1.29

Next dealing Oct. 31.

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund		US$12.97	.....	—

Net asset value Sept. 29

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	US$10.25	10.27	.....	11.17
AHR Gilt Edg.Fd.	£12.27	12.32	+0.02	12.98

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv.: ACMI, 319 High Holborn WC1. 404 0377
Daily Dit. Oct. 2 0.000287 (11.0%pa)

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100¼	99⅛	Exchequer 13pc 1980‡‡	99⅝	......	13.05	14.65
99¾	96¾	Treasury 11½pc 1981‡‡	99¼	+⅛	11.59	13.78
96⅝	90¼	Treasury 3½pc 1979-81	96⅞	+⅛	3.63	13.91
98¼	93⅞	Treasury 9¾pc 1981‡‡	98¼	......	9.92	13.60
96⅜	91¼	Exch. 8¼pc 1981	96⅜	......	8.54	13.57
97⅛	92¼	Exch. 9½pc 1981	97⅛	......	9.79	13.25
94	85½	Exch. 3pc 1981	93½	......	3.21	10.96
99⅛	96½	Treas. Variable '81§§	99	......	14.98	15.51
99⅞	95⅛	Exch. 12¾pc 1981‡‡	99¼	......	12.85	13.35
95⅝	88½	Treas. 8½pc '80-82‡‡	95	......	8.95	12.77
91¾	82½	Treasury 3pc '82‡‡	91¾	......	9.58	9.58
102⅞	96⅝	Treasury 14pc '82‡‡	101⅝	......	13.78	12.74
98⅛	94¼	Treas. Variable '82§§	97⅝	−⅛	15.19	16.39
93¼	86⅛	Treasury 8¼pc '82	92⅞	......	8.88	12.89
93⅞	86⅞	Exch. 9¼pc 1982	93½	......	9.89	13.10
93	85	Exch. 8¾pc 1983	92⅝	......	9.45	12.56
83⅞	76½	Exch. 3pc 1983	83⅞	......	3.58	10.85
83½	82	Exch. 3pc 1983 A●	83¼	......	3.60	11.20
98⅝	90⅞	Treasury 12pc 1983‡‡	98½	......	12.18	12.74
96½	90⅝	Treas. Variable '83§§	95¼	−⅛	15.99	16.83
93⅛	84½	Treasury 9½pc '83	92⅞	+⅛	9.97	12.41
102⅛	94¼	Exch. 13½pc '83	100⅞	+⅛	13.37	13.07
93¼	84½	Exch. 10pc 1983	92⅞	+⅛	10.77	12.78
84¾	76½	Funding 5½pc '82-84‡‡	84⅜	+⅛	6.52	11.31
97⅛	87¼	Exch. 11¼pc 1984	95⅞	+⅛	11.74	12.77
104⅜	94½	Exchequer 14pc 1984	102⅞	+⅛	13.60	12.93
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Five to Fifteen Years				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Over Fifteen Years				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
103¾	94¾	Treas. 13pc 2000	101	+⅜	13.19	13.20
110⅝	94⅛	Treas. 14pc '98-01	109⅛	......	13.48	13.41
96⅝	81⅝	Exch. 12pc '99-02	94¾	+⅛	13.01	13.07
107⅛	91¾	Treas. 13¾pc 2000-03	105⅝	......	13.37	13.32
97	78⅞	Treasury 11½pc '01-04	90	......	12.85	12.94
40¾	34⅞	Funding 3½pc '99-04	40½	+¼	8.82	10.38
102	86⅝	Treasury 12½pc '03-05	100½	......	13.05	13.06
72⅞	59¾	Treasury 8pc '02-06‡‡	68¼	......	11.73	12.81
95⅛	80¼	Treasury 11¾pc 03-07	93¼	+⅛	12.87	12.90
109	94½	Treas. 13½pc '04-08	103	......	13.15	13.14
53⅛	42⅞	Treasury 5½pc '08-12‡‡	50⅜	+⅛	11.00	11.35
68⅞	57½	Treasury 7¾pc '12-15‡‡	67⅞	+⅛	11.77	11.88
100½	85⅛	Exch. 12pc '13-'17	99½	......	12.54	12.53
		Undated				
33⅞	29	Consols 4pc	33½	......	12.20	—
33¼	28⅞	War Loan 3½pc‡‡	33¼	+⅛	10.93	—
37¼	32¾	Conv. 3½pc '61 Aft.	37	+½	9.47	—
25⅜	21⅝	Treasury 3pc 66 Aft.	24⅜	......	12.31	—
22⅞	19½	Consols 2½pc	21½	......	11.63	—
22	17⅞	Treasury 2½pc	20½	......	12.22	—

INTERNATIONAL BANK

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
87½	78	5pc Stock '77-82	86¼	......	5.80	13.52

CORPORATION LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
97¾	83⅝	Bath 11¼pc 1985	92¾xd	......	12.01	12.99
98⅜	89½	Birm'ham 12½pc 1985	97½	......	12.82	13.20
99¾	96¾	Bristol 13¾pc 1981	99¾	......	13.78	14.27
102½	90	Burnley 13pc 1987	102¼	......	13.27	13.45
95¾	82¼	Cardiff 11pc 1986	90¼xd	......	12.09	13.21
98¼	93	G.L.C. 12½pc '82	98	......	12.76	13.86
98¼	90¼	Do. 12½pc 1983	97¾	......	12.79	13.45
92¼	84¾	Glasgow 9¼pc '80-82	92	......	10.05	13.75
75¾	64½	Herts 6½pc 1985-87	75½	......	9.84	12.40
90½	81¼	Liverpool 9¼pc '80-84	90	......	10.23	13.29
27	24	D. 3½pc Irred.	25¾xd	......	13.82	—
100¼	92¼	Lon. Corp. 13¼pc '83	99½	......	13.32	13.41
94	79¼	Do. 9¼pc '84-85	89½	......	10.33	12.10
80½	71	L.C.C. 5½pc '82-84	80	+¼	6.88	12.23
70½	60½	Do. 5½pc '85-87	70½	......	7.99	12.50
69½	60¾	Do 6¾pc '88-90	69½	......	9.93	12.51
24	21	Do. 3pc '20 Aft.	23½	......	13.10	—
97½	87¾	Sunderland 12¼pc 1984	96¼	......	12.73	13.41

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
91	82¼	Aust. 5½pc '81-82	89¼	......	6.16	13.65
85¼	72½	Do. 6pc 1981-83	84¼	......	7.29	12.77
67	58	N.Z. 7¼pc 1988-92	66½	......	11.21	13.24
81½	72	Do. 7½pc '83-86	81½	......	9.46	12.69
96¾	88	Sth. Africa 9½pc '79-81	93¼xd	......	10.07	15.32
160	95	S. Rhod. 2½pc Non-Ass.	100	+3	—	28.91
169	133	Do. 6pc '78-81 N.-As.	143	+1	—	29.21

LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Public Board and Ind.				
64½	56½	Agric. Mt. 5pc '59-89	63	......	8.10	12.23
83½	73½	Alcan 10½pc '89-94	83	......	12.77	13.40
29¾	25	Met. Wtr. 3pc 'B'	29	......	10.73	12.46
104	89	U.S.M.C. 9pc 1982	104	......	8.87	—
92	85½	Do. without Warnts.	91½	......	10.20	13.90
		Financial				
99¼	96½	FFI 13pc 1981	98¾	......	13.15	16.03
101½	93½	Do. 14pc '83	100½	......	13.93	13.77
88	79½	FFI(UK Fa)5¾pcDb. '80-2	87	......	6.34	13.48
82½	71½	Do. 6¼pcDb. '81-84	82	......	7.88	12.90
92	80½	Do. 10¼pc Uns.Ln. '86	90½	......	11.93	13.70
91½	77	Do. 11pc Uns.Ln. '88	91	......	12.48	13.25
93½	82	Do. 11¾pc Uns.Ln. '90	93	......	13.08	13.70
101	84½	Do. 12½pc Un. Ln. 1992	93½	......	13.49	13.80
66½	56	Do. 7¼pcADeb. '89-92	65	......	11.66	13.60
66½	51½	Do. 7¼pcADeb. '91-94	61½	......	11.98	13.55
76½	64½	Do. 9pc 'A' '91-94	71	......	12.68	13.70
71½	61	Do. 8¾pcLn. '92-97	69	......	13.18	13.80

FOREIGN BONDS & RAILS

1980 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
82	43	Antofagasta Rly.	65	......	—	—
55	50	Do. 5pc Pref.	55	......	—	—
98	98	Chilean Mixed	98	......	3	f3.10
58	18	Chinese 4½pc 1898	18	......	—	—
45	17	Do. 5pc 1912	17	......	—	—
24	11	Do. 5pc 1913	11	......	—	—
24	11	Do. 5pc '25 Boxer	12	+1	—	—
96¾	92½	Denmark 13pc 2005	94	......	13	13.99
35	28½	Greek 7pc Ass.	35	......	3½	f10.17
35	31	Do. 6pc 28 Stb. Ass.	32	......	3	f9.75
34	30	Do 4pc Mixed Ass.	30xd	......	2	f6.87
53	51	Hung. '24 Ass.	52	......	2¾	f5.32
65	50	Iceland 6½pc '83-88	63	......	6½	14.70
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

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[illegible]

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

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GKN Sankey to shed 900 jobs

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

GKN Sankey and Goodyear announced nearly 1,000 redundancies yesterday in response to the continued slump in the automotive industry.

GKN Sankey, which makes pressings, such as wheels and tractor and lorry cabs, told union leaders that 644 jobs must go in addition to nearly 1,200 already shed this year.

The company blamed the depressed state of the UK vehicle industry, aggravated by the growth of imported cars.

This is the first detailed announcement following a warning given with GKN Sankey's interim results last month that 2,000 jobs would have to be lost to achieve a 10,000 reduction in the labour force in the current year.

The largest engineering group in the UK, GKN suffered a 58 per cent fall in pre-tax profits to £22.4m in the six months to June 30.

GKN Sankey is implementing 930 redundancies involving the closure of the Cable Street works at Wolverhampton. The division lost 260 jobs in the first quarter of this year.

The principal victim of the latest cut is the Telford headquarters where 381 of the 4,700-strong workforce are to be made redundant. The workforce at the Albert Street plant at Bilston, with 1,100 employees, will be cut by about 20 per cent.

Goodyear is looking for a reduction of 294 white-collar jobs. The company said the decision was "regrettable" but necessary.

About 180 of the jobs will be lost at the Wolverhampton headquarters where the 4,500-strong workforce has been on a four-day week for the past three weeks.

Christian Salvesen the cold store specialist, is closing down its packaging plant at Bourne, Lincs, with the loss of 300 jobs. The company has blamed the cutback on the recession coupled with a poor pea and bean harvest.

Helena Rubenstein, the cosmetic manufacturer, is to close its UK manufacturing plant at Molesey, Surrey, with the loss of 98 jobs now and a further 53 by the end of the year.

An attempt to save the planned closure of Metal Box's Rochester plant, with the loss of 760 jobs, is to be made by Mrs. Peggy Fenner, Conservative MP for the constituency. She has asked for a meeting with the chairman of the Reading-based company to plead the case of the workforce.

Production of BL Metro to resume on Monday

PRODUCTION OF BL's Mini-Metro should be fully resumed on Monday, after 500 strikers agreed to accept a back-to-work peace formula yesterday.

The workers walked out on Thursday in a dispute over one man who refused to be moved from the rectification area of the new Longbridge factory to an assembly line.

Production of the Metro, to be launched next Wednesday, was quickly halted. It was the first stoppage to hit the car on which BL is pinning much of its future survival plans.

But both sides were clearly anxious to reach a speedy settlement and a peace formula was agreed at meetings between plant management and the works committee. When the formula was put to a mass meeting inside the factory yesterday, the strikers agreed to a full return to normal working on Monday.

Further talks will then take place on the workers' grievances. Though about 500 Metros were lost by the stoppage, BL stressed the launch date will be unaffected as showrooms around the country are already well stocked with the vehicles.

After its launch, the Metro—product of a £275m investment—will go on show to the public for the first time at the Motor Show in Birmingham which opens on October 17.

The strikers said they had been co-operating in labour mobility, but the aggressive attitude of a senior superintendent went too far. "These people have been moved here, there and everywhere," said Mr. Jack Adams the Longbridge convener.

Key skilled workers remain in demand

By Alan Pike

Key skilled workers were still in short supply in some sectors of industry as recently as June of this year, in spite of rising unemployment and a sharp fall in demand for labour.

This is confirmed in an analysis published in the latest edition of Economic Trends yesterday. Shortages are particularly serious in the engineering industry. The most recent areas of difficulty have been in the South-east and East Anglia.

The engineering industry has been severely affected by skill shortages in the past, although the problem is greatly mitigated by the impact of the recession.

General shortages by the middle of this year were restricted to a few occupations — machine tool operators, toolmakers, tool fitters and sheet metal workers.

The demand for skilled engineering occupations has fallen sharply in all regions since June last year. Among the smallest falls were in the South-west—where unemployment among skilled engineering workers has risen by only 12 per cent over the year, compared with almost 40 per cent nationally—and Scotland, where employment has been sustained by oil platform work. Yorkshire and Humberside experienced the greatest decline in engineering vacancies between June, 1979, and June, 1980. Textiles is another industry with a dramatic decline in the demand for skilled labour over the past year.

Mr. Alan Oliver of the Manpower Services Commission (MSC), the author of the analysis, says that while lack of adequate training is often identified as a major cause of skilled shortages, other factors may be just as important.

An MSC working party found much evidence to suggest that the problem was not so much getting people trained as keeping them in the trade.

Other causes suggested were that some employers were over-selective in recruiting standards, and that job insecurity induced wastage.

Hazel Duffy looks at the engineers' pressure group which survived a 'sell-out'

Federation retains employers' confidence

THE Engineering Employers' Federation made an agreement exactly a year ago with the Confederation of Shipbuilding and Engineering Union which was widely regarded as a "sell-out" to the unions.

There were predictions that it spelled the end of the EEF as a national negotiating body, and that many of the 6,500 member companies would leave the federation.

But the passage of time has dealt kindly with the EEF. A handful of member companies resigned or were expelled at the time of the dispute for settling outside the employers' terms. A few departed because they went out of busines, but others have joined.

One blow to EEF finances was the departure of BL, which decided before the dispute that it wanted to change its bargaining structure. BL contributed about £300,000 to the regional associations, of which one third went to the federation.

The GEC membership has not changed, in spite of the letter from Sir Arnold Weinstock (as he then was) to his managing directors at the time of the dispute to reconsider the pros and cons of federation.

On balance, the EEF still has 6,500 member companies, representing about 60 per cent of the industry in terms of numbers employed.

Many companies have discussed the benefits and drawbacks over the past year, yet all have decided, that they will stay for the time being. This is in spite of the cost of subscriptions, and much more important, the cost of an expensive settlement with the unions last year.

Why do they see it this way? First, the national negotiating mechanism continues to benefit many employers, as well as the engineering unions.

Most companies probably pay above the minimum rates which are negotiated at national level, but the national agreement on working conditions is the general standard throughout most of the federated companies. The employers' stand over the reduction in the working week, finally conceded, was the key point in last year's dispute.

Second, the Federation provides advice on a host of economic and social issues, which is helpful for the small busy company.

The EEF will also provide legal services at industrial tribunals at no extra cost on the annual subscription. The chances of a small company being involved in such cases may be slight, but it is a relief if they know they can get such help.

Third, the EEF acts as a pressure group for the engineering industry. In the past year, it succeeded in getting a clause inserted into the Employment Act which tightened conditions for immunity from proceedings on secondary action.

In its capacity as a representative body of the engineering industry, the EEF can act most of the time without treading on the toes of trade associations.

The industry is split into more than 200 trade associations, many too small to have any influential voice in Government circles.

Many of the EEF's active members, however, are also enthusiastic members of their trade associations so the Federation has to move carefully.

An example of the delicate care that it has to take was the formation of a body last year to represent the industry in Brussels.

Rather than providing representatives, the EEF encouraged some of the leading trade associations, to form their own council, and provided them with back-up facilities. The EEF did not want to be seen as the dominant force.

The move for the EEF to become more than just an employer's body was set in motion early in the 1970s. The present director-general, Mr. Anthony Frodsham, has continued to take it along this path.

All the same, its effectiveness at government level is much less than the CBI, while its large member companies frequently prefer to make their own case rather than trying to represent the engineering industry.

The main problem for the EEF in its non-industrial relations roles is the fragmented structure of the engineering industry. Unlike the chemicals industry, for example, engineering covers a large number of companies which are frequently extremely independent, and often parochial.

This is reflected in the strength of the EEF's regional associations, some of which act almost autonomously from the federation's London head office.

It would not have come as a surprise after last year's long and surprisingly bitter dispute in the engineering industry if the EEF membership had dropped.

In fact, it is more likely to lead to a shift in power away from the centre and towards the regions. Some members think that a system of national negotiations on conditions will continue, but that pay negotiations would be better taken over by the regions.

The next meeting between employers and the CSEU on current wage negotiations is scheduled for October 13.

In the light of the current state of the industry, and with the four-year agreement on working conditions behind them, it is not expected to lead to a repeat of last year's troubles. But many members think it is only a matter of time before there are major changes in the method of bargaining.

Lloyd's and Sasse settle syndicate rescue scheme

BY JOHN MOORE

FINAL settlement has been agreed between Lloyd's of London and members of the Sasse syndicate, facing £21.5m of losses, for a rare market rescue of the syndicate by Lloyd's.

The planned rescue was announced in July and since then details of the scheme have been hammered out between lawyers acting for all sides in the Sasse affair.

The rescue was mounted after Mr. Peter Green, Lloyd's chairman, announced in July that certain "grave irregularities took place" in 1976 in the handling and accounting of insurance contract which was placed with the Sasse underwriting syndicate. Mr. Green said that the irregularities were clear to him and "beyond reasonable doubt." The irregularities were "the subject of separate inquiries by the police." But Lloyd's has admitted no liability.

Under the proposed rescue scheme the losses of the syndicate for the 1976 underwriting year are to be limited to £6.25m while all losses on the 1977 underwriting year are to be met by the market.

Underwriting agents who introduced members to the 110 strong syndicate (with the exception of Sasse Turnbull, the former managing agency of Mr. Frederick Sasse) will be expected to contribute in aggregate at least £1.5m to the rescue. The agent will be able to recover a substantial amount of this contribution from their own errors and omission underwriters.

Lloyd's will be taking over from the members of the syndicate from the end of this month the outstanding litigation which members of the syndicate have lodged against the Brazilian Reinsurance Institute to recover $13m.

Panther sports cars likely to be saved

AN AGREEMENT is expected to be signed within the next few days for the rescue of Panther Westwinds, the Byfleet-based specialist sports car maker which was placed in receivership last year owing about £1m.

Deloitte, the receivers, said yesterday that "the usual last-minute hitches" had prevented its completion yesterday, but "both sides are optimistic for a signing early next week."

Panther's operations have been wound down since December, when it was making seven a week of its staple, the Lima.

Production of all cars has ceased in favour of sub-contracted work, and as from yesterday the workforce had been cut to about 20.

But the new would-be owner has indicated that it is ready to re-employ many of the workforce made redundant in recent months.

Civil Service unions set up £2m dispute fund

BY PHILIP BASSETT

CIVIL SERVICE unions yesterday earmarked about £2m from union funds to support any programme of industrial action they may take this winter over pay.

The first meeting of a co-ordinating committee of all nine unions in the service—set up under the auspices of the Council of Civil Service Unions to examine methods of taking industrial action in the service this winter—found that the sum of about £2m would be available from individual unions to fund any campaign.

The unions are concerned that the Government's determination to use cash limits to regulate Civil Service pay increases this year will result in a single-figure wage offer.

They examined the forms of industrial action open to them, from an all-out stoppage to selective strikes, and considered a timetable for informing union members of developments and for the issue of advice on action.

Union officials were satisfied at the degree of unity shown at the meeting, in contrast to the divisions which developed between them during action in the 1979 "winter of discontent."

The committee will meet again on October 17, and probably fortnightly thereafter, but pay will be discussed before then at the second full meeting of the Council of Civil Service Unions on Monday, which is also expected to approve its own draft constitution.

● Mr. William Whitelaw, Home Secretary, yesterday again refused arbitration over a claim by the Prison Officers' Association over meal break payments. Industrial action in the prisons over the claim is due to begin on Monday.

LABOUR PARTY CONFERENCE

That was the week that was

BY JOHN HUNT

AFTER THE week's bloodletting the final session of the Labour conference commenced yesterday on a note of complete exhaustion. Even the organist in the vast Empress Ballroom seemed to have given up the struggle to maintain a spirit of good cheer.

All week, oblivious of the fratricide in the hall, he had optimistically started the day's proceedings with a rendering of "Happy Days are Here Again." Yesterday he abandoned this in favour of "Give my Regards to Broadway," and "The White Cliffs of Dover."

"Thank God it's Friday," sighed Baroness Jeger, the long suffering conference chairman, as she introduced the day's business. Her sentiments were echoed by delegates who had laboriously found their way through the maze of documents, resolutions, amendments and pamphlets over the past few days.

"I am very angry," declared one man. "I feel as if I am being crushed by the great weight of paper which is floating around."

However, as the morning proceeded an attempt was made to raise the spirits of delegates and put a good face on the internecine struggles.

"There is no doubt that the Labour Party is the most democratic body of its kind in the world," declared Mr. Anthony Wedgwood Benn proudly.

"We have imagination and realism and the will to succeed," pronounced Mr. Moss Evans, of the Transport Workers.

Taking up this theme, another delegate protested that despite what had been said in the Press about the unions' abuse of the block vote, there had been no lack of co-operation between the constituency parties and the unions during the conference.

This point was hardly borne out when, within a few minutes, the unions rolled out their block vote again on the question of whether the party would have to wait another three years before constitutional matters could be taken up again.

"They are afraid a bit of democracy might spread to some of the Right-wing trade unions," muttered Mr. Dennis Skinner, the Left-wing MP for Bolsover, who was sitting on the platform as a member of the NEC.

In a belated attempt to send the rank and file home in a cheerful mood, Mr. Ron Hayward, the general secretary, introduced an NEC statement pledging a united battle against the Tory Government.

"I am not downhearted about this week," he insisted. "I think it has been a momentous week."

At the same time, he chided delegates about the uncomradely hissing and booing which had greeted some speakers during the week. If they could not listen to reasoned argument, then his advice to them was to "belt up."

Another delegate probably summed matters up more accurately when in words that could hardly be disputed, he said that the conference had been a "dramatic and moving experience."

He seemed to imply that in the words of Mr. Macmillan on another occasion "it was all got up by the Press."

In fact, he explained, bitter divisions were not just confined to Labour gatherings. He had been present at a wild party a few nights before when one journalist had broken an egg over the head of a fellow scribe.

The proceedings wound up with the usual show of good fellowship and the singing of the Red Flag and Auld Lang Syne. As Baroness Jeger said: "That was the week that was."

Partial win for the Right on three-year rule

BY MARGARET VAN HATTEM

CONFERENCE MOVED yesterday to block discussion of constitutional issues at more than one in three consecutive party conferences in future. But the issue will remain open for the next year, allowing the party time to alter its method of choosing a leader.

Delegates, possibly alarmed by the violence and disruption of this week's in-fighting on constitutional questions, voted 5,882,000 to 1,160,000 to keep them off the agenda two years out of three.

The matter will be settled at next year's conference when, according to normal procedure, it will be put as a constitutional amendment.

The solid vote in favour of the resolution represents a partial win for the Right after a trouncing this week at the hands of the Left.

The three-year rule—which previously applied in theory to all issues—was repealed at last year's conference as a result of strong campaigning by the Left, particularly among the constituency parties and also to some degree within the unions.

However a sizeable majority of the unions appear to have changed their minds since then in view of the constitutional battles which have so divided the party over the past couple of years and now threaten to strangle debate on other issues.

The move to reimpose the three-year rule came as a union initiative.

The Left-dominated NEC, which opposed the move, had earlier in the week rejected a request from unions in the Trade Union for Labour Victory group to by-pass normal procedure and put the issue forward as a constitutional amendment this week.

The unions had assumed that this would follow a decision on the method of electing the leader. However, since conference failed to decide this and is now expected to try again at a special session next January, the unions did not press the matter and yesterday appeared satisfied with the turn of events.

The three year rule is not absolutely binding and can be overruled at the discretion of the NEC. But the executive still feels it to be an unnecessary constraint, suppressing discussion at the broadest level.

It would, Mr. Anthony Wedgwood-Benn said yesterday, "screw the top on the pressure cooker" at a time when many people wanted to discuss important constitutional matters.

He appealed to conference "not at this stage to take any decision which would appear to stop discussion.

"We all want to go forward in greater detail in improving our structure and organisation."

Supporters of the three-year rule insist they are not trying to suppress discussion which can continue at constituency level, but merely trying to circumvent what looks like becoming an annual bloodbath.

Speaking to the resolution, Mr. Moss Evans, general secretary of the Transport and General Workers' Union, warned conference that annual discussions of constitutional issues would leave no time for the party to absorb the arguments at constituency level.

"We need time for a proper debate, we must have a breathing space," he said. "Otherwise we will find ourselves rushing headlong into decisions we have not considered properly."

He appealed particularly to the large number of delegates frustrated in their attempts to speak in debates on defence, the third world, jobs and pensions because of the inordinate amount of time devoted this week to constitutional questions.

"Conference is primarily our supreme policy-making body," said Mr. Evans, "and we should spend the vast majority of our time debating and making policy."

Salutary message from the seafront and the streets

BY ELINOR GOODMAN

ELEVEN O'CLOCK yesterday morning. In the conference hall, Mr. Eric Heffer was launching a tirade from the platform about political education and the need to involve more young people in the Labour party.

A quarter of a mile away, in the Golden Gate amusement arcade, Jim, unemployed school leaver on holiday in Blackpool with his parents from Glasgow, was just about to start on his second hour at the fruit machines.

Wearing tight black trousers, braces, and a bowler hat, with the message "Rock on Tommy" emblazoned on it, his eyes barely left the revolving symbols as he expressed his view about politicians.

"Load of rubbish."

His parents, he admitted, had always voted Labour but he couldn't see the point. As for the conference, he was only aware of it at all because he had not been able to get into the Winter Gardens.

The salutary message coming from the sea front at Blackpool yesterday to those communicators and politicians who over the last week have tended to regard the Winter Gardens as the centre of the earth, was one of general apathy.

Most of the people I spoke to seem to take a very dim view indeed of politicians and were, for the most part, indifferent to what had been going on.

The most frequent comment in the streets was that "politicians are all the same" and that there was nothing to choose between them.

The headlines about the bust-up in the Labour party only seemed to have reinforced their natural scepticism about politicians.

To some extent, the lack of interest in the events at the Winter Gardens must be good news for those Labour politicians who feel that the party has handed Mrs. Thatcher a gift on a plate by indulging in such open warfare.

But the bad news from the party's point of view was that some of those Labour voters who had noticed what was going on were appalled by what they had seen.

In a very random sample in Blackpool yesterday, three out of perhaps 50 people I spoke to said that although they had voted Labour before, they would not do so again if there was an election tomorrow. None said they had been converted to the party by the conference.

Another elderly couple in the street were equally forthright. The husband, who again claimed to have regularly voted Labour, said he could never do so again, "now Tony Benn is in charge."

He was not the only person on the front to be under the impression that Jim Callaghan—described by several as a very good leader—had already retired and that Mr. Benn was in sole charge.

A young couple in a job centre put a different view. They thought Mr. Benn might be very good for the party and they were delighted by the party's commitment to withdraw from the Common Market—a commitment which was welcomed by several people I spoke

"Whatever they do won't help me find a job," said one out-of-work welder.

Blackpool is not the best place to get an accurate cross-section of public opinion. It returns two Tory MPs to Westminster and unemployment tends fluctuate with the seasons.

But the seafront, with its illuminations, rock shops and endless amusement arcades, is a good place to meet the kind of people who could once have been relied upon to vote Labour if they voted at all.

And judging by those I spoke to yesterday, most of them who had noticed what was going on were not impressed.

The only person outside the Winter Gardens who seemed genuinely pleased by what had happened was a student selling Militant. Members of the far left Militant Tendency actually use the vocabulary of their newspaper in normal conversation.

As far as he was concerned, the conference had been a success because it had shown up "the basic antagonism between the rank and file and the Bureaucracy as represented by the National Executive."

So saying, he offered a copy of Militant to a passing pensioner. Her only question was "has it got a picture of Shirley in it?"

Richardson attacks Thatcher

MRS. THATCHER was accused at the conference yesterday of failing to understand women and behaving "exactly like any male Tory Prime Minister." The charge came from Miss Jo Richardson, Barking MP and NEC member, during a brief debate on women's rights.

But she added: "I deplore the sexist jokes like 'ditch the bitch' and 'Britain's first and last woman Prime Minister'." And she denounced the patronising attitudes" of men towards women in the Labour Party.'

Miss Richardson said of the Prime Minister: "Of course, she is an absolute distaster but she is exactly like any male Tory Prime Minister would be. She doesnt's understand the working class and she doesn't understand working class women.

Without a vote, the conference then passed a motion, calling for an end to tax and social security discrimination against women, provision of nursery or workplace creche facilities for every child, extension of fully paid maternity leave, a ban on forced sterilisation, increased birth control facilities, free abortions on demand

Hayward's promise

MR. RON HAYWARD, in the final speech of the conference, pledged that the NEC would do all in its power to get the immediate repeal of the Employment Act if a Labour Government was returned to power.

"We give this pledge from the NEC," he said. "The next Labour Government will repeal this Act — all of it.

Benn outlines his strategy for change

BY IVOR OWEN

LABOUR'S INCREASINGLY dominant Left-wing NEC, strengthened by the events at Blackpool this week, will lose no time in bringing the party's parliamentary leadership under intensified pressure.

Mr. Anthony Wedgwood Benn made this abundantly plain in the final session of the conference yesterday when he outlined his strategy for dealing with the one major reverse suffered by the NEC—the rejection of its attempt to gain undisputed control over the party's election manifesto.

Mr. Benn told delegates that as a result of this defeat, the draft manifesto issued by the NEC in May—its main emphasis is on a massive extension of state ownership and control—would be downgraded in status to that of a draft programme.

To cheers from the Left-wing, Mr. Benn announced that the NEC intended to seek an early meeting with the Shadow Cabinet with a view to producing a new draft programme embodying the decisions taken by conference this week.

This new document, which he hoped would form the basis of the next manifesto, would be brought before conference next year.

Mr. Benn hit out at the moderates and others who have protested that the victories won by th Left were obtained by undemocratic means.

He emphasised that most of the major policy changes approved by conference had originated from resolutions submitted by constituency parties.

Mr. Benn declared: "There is no doubt at all that the British Labour Party conference is the most democratic body of its kind in the world.

"There is nothing else in the same league at all."

BENN: NEC will seek early meeting with the Shadow Cabinet

This view was echoed by Mr. Dennis Skinner, MP for Bolsover, and another Left-wing member of the NEC.

He maintained that the main concern of those who attack conference decisions was that the same degree of democracy might spread to the Right-wing dominated trade unions.

Mr. William McKelvey, who became MP for Kilmarnock at the last general election, won applause when he described the shocks he had experienced as a "new boy" at Westminster.

The truth was, he said, that after 70 years the Parliamentary Labour Party was not as well organised as a regional trade union branch, or a local Labour Party branch.

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

[illegible]

Tins

[illegible]

Copper

[illegible]

Miscellaneous

17	12	Burma Mines 10p	15	......	0.62	1.1	6.0
287	53	Colby Res. Corp...	275	−2	—	—	—
502	285	Cons. Murch. 10c.	390	−10	Q0180c	1.8	16.4
180	80	††Hemerdon 10c.	108	+5	—	—	—
585	325	Northgate C$1 ...	480	−10	—	—	—
*486	322	R.T.Z.	442xd	−8	Q16.0	3.2	5.2
48	16	Robert Mines	45	−3	—	—	—
112	91	††SPO Minerals 10p	100	+2	—	—	—
58	26	Sabina Inds. C$1.	37	......	—	—	—
51	31	††SWCM 10p......	42	......	—	—	—
650	411	Tara Expln. $1....	570	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1982. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p......	35	......	Conv. 9% '80/82...	£94½	+⅛
Bertam	15	......	Nat. 9¾% 84/89...	£82⅝	......
Bdg'wtr. Est. 50p...	455	......	Fin. 13% 97/02......	£90	......
Craig & Rose £1......	£11	......	Alliance Gas........	51	......
Fife Forge	37	......	Arnott..............	210	......
Finlay Pkg. 5p......	28	+1	Carroll (P.J.)........	75	−3
Graig Ship. £1......	£75½	......	Clondalkin..........	106	−4
Higsons Brew.......	72	......	Concrete Prods.....	85	......
Holt (Jos) 25p.......	258	......	Helton (Hldgs.)......	36	......
I.O.M. Stm. £1......	155	......	Ins. Corp...........	275	......
Pearce (C. H.)	480	......	Irish Ropes	38	......
Peel Mills...........	46	......	Jacob..............	33	......
Sheff. Refrshmt ...	99	......	T.M.G..............	68	−2
Sindall (Wm.).......	141	......	Unidare	90	+5

OPTIONS

3-month Call Rates

Industrials		I.C.I.	27	Utd. Drapery	6½
A. Brew..............	7	"Imps"	6½	Vickers............	12
BOC Intl.	6	I.C.L.	14	Woolworths.........	5½
B.S.R.	4½	Inveresk	4		
Babcock..............	8	Ladbroke..........	15	**Property**	
Barclays Bank	34	Legal & Gen.	15	Brit. Land..........	7
Beecham..............	10	Lex Service	8	Cap. Counties	9
Blue Circle	25	Lloyds Bank.......	24	Land Secs..........	26
Boots	16	"Lofs"	3½	MEPC..............	17
Bowaters.............	15	London Brick......	6	Peachey	13
B.A.T.	20	Lucas Inds.	17	Samuel Props......	12
Brown (J.)	6	"Mams"	14	Town & City	2
Burton 'A'	10	Mrks. & Spncr	8		
Cadburys............	3½	Midland Bank......	26	**Oils**	
Courtaulds...........	8	N.E.I.	5		
Debenhams...........	8	Nat. West. Bank.	27	Brit. Petroleum...	32
Distillers	17	P & O Dfd.	10	Burmah Oil........	20
Dunlop	7½	Plessey............	14	Charterhall........	10
Eagle Star............	15	Racal Elect........	22	KCA...............	11
F.N.F.C.	2¼	R.H.M.	4½	Premier	13
Gen. Accident	21	Rank Org.	15	Shell	35
Gen. Electric	30	Reed Intnl.	16	Tricentrol.........	40
Glaxo	18	Sears	5	Ultramar	35
Grand Met...........	12	Tesco	6		
G.U.S. 'A'	34	Thorn.............	23	**Mines**	
Guardian	23	Trust Houses	12	Charter Cons.	14
G.K.N.	20	Tube Invest.	25	Cons. Gold	40
Hawker Sidd	15	Unilever	40	Lonrho............	8
House of Fraser ...	35	U.D.T.	5½	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Saturday October 4 1980

MAN OF THE WEEK

A German with more than flair

BY HAZEL DUFFY

HORST-DIETER ESCH, the 37-year-old German who this week took over the Terex subsidiary of General Motors, recalls that a man wanted a couple of hours for him outside a Munich restaurant recently personally to place an order with him. Considering that most companies in the construction equipment business are spending millions in order to capture customers, Esch found this a touching tribute of the goodwill that surrounds his venture.

The difference between Esch and many a chairman of a multi-national is that people in the business, both customers and employees, know who he is. He has deliberately built up an image of the small man making good in an industry which is dominated by big corporations boasting at least half a dozen vice-presidents.

He has little respect for institutions, or for considerations like who does what job. When the workforce at the South Wales factory of Hymac went

Horst Dieter Esch
Little respect for institutions

on strike during last year's engineering dispute, shortly after he had taken over the company, he caught the first available flight and went to negotiate with him himself.

Esch's rise from European operations manager five years ago of Blackwood Hodge, the British-based distributors, to that of chairman and chief executive of IBH Holdings, a company with sales forecast to exceed $1bn next year, has been swift and decisive. It is with a touch of irony that he points out that his takeover of Terex, which is distributed by Blackwood Hodge in many parts of the world, will renew his links with his old employers in quite a different relationship.

His breakthrough into the U.S. via the Terex takeover gives him particular kudos. The U.S. is the home of the big construction equipment companies which have spread their tentacles around the world. Now here is a European taking over a subsidiary of one of America's most prestigious companies, General Motors, and furthermore at the request of GM's president.

Each has a classic Mid-Atlantic appearance and accent, after three years at university in California, and another three years in Canada setting up a venture for Blackwood Hodge. He enjoys the American business schedule, starting with breakfast meetings and working right through to midnight.

But he thinks of himself very much as a European (emphatically not just a German), and has no desire for the showy accoutrements of the successful American entrepreneur. He does believe strongly, however, in paying people for doing their job and letting them have a stake in the business that they are running. British managers are paid far too little, he thinks, and recently backed his beliefs by appointing a senior executive at Hymac on probably double the salary earned by previous holders of the job.

Esch is still firmly in control of the company that he set up five years ago on the proceeds of a successful share speculation. When the Terex deal goes through, he will have 20 per cent of the equity in IBH (the same as Powell Duffryn) but retains 80 per cent of the voting rights

Most of the companies that Esch has taken over have been in a poor financial state—victims both of the long recession which has hit the industry but also of weak management. His rescue philosophy is simple. His first aim is to get the distribution network right, and then to find the best managers whom he will allow to get on with the job. Many senior heads have rolled, sometimes on the first day that Esch has gone into the company.

Challenge faces European Commission on state aid

BY JOHN WYLES IN BRUSSELS

BRITAIN, France and Italy have launched an unprecedented challenge in the European Court to an attempt by the European Commission to assume powers of scrutiny over state assistance to nationalised industries.

This unusual legal clash between three member governments and the commission stems from a decision by the commission to use powers it claims to enjoy under the Treaty of Rome to issue a directive without the endorsement of the Council of Ministers.

The commission wants to ensure that the Treaty's aims of maximising industrial competition are not frustrated by state aids to nationalised industries.

The commission adopted a directive on June 25 requiring member states to provide information on financing arrangements for public and semi-public enterprises with a cumulative turnover of more than £280m over the last two years.

Postal and telecommunications authorities, publicly owned banks and transport undertakings were excluded from the scope of the directive, which was aimed more directly at state owned businesses such as steel, motor cars and aerospace manufacturing.

All three member states challenging the directive are ready to argue that the commission does not have the powers which it claims under Article 90 (3) to issue a general directive. Their argument points to the general reluctance of the Nine governments to allow the commission to broaden its powers to implement Treaty aims.

In addition, none of the three wishes to see their financing practices for state enterprises measured strictly against the community's competition rules, for fear that they might be ruled illegal.

Britain claims that it has no particular worries on this count, and that it sympathises with the commission's broad objective. However, it cannot accept the commission's interpretation of Article 90 (3) which, the UK argues, allows the commission to issue a directive on its own initiative only in specific cases where it has been established that a member state is breaching the competition regulations.

Far East holding in Dunlop increased

By Reg Vaughan

MR. GHAFAR BABA, a prominent Malaysian politician and businessman, has renewed his share buying activities in Dunlop Holdings, the troubled UK rubber and tyre group. Far Eastern interest are already understood to have a holding of at least a fifth in the group.

Through his Goodyield Plaza group, Mr. Ghafar has increased his holding in Dunlop to 10.1 per cent. This compares with the 5.3 per cent holding announced last month when Mr. Ghafar was identified as one of the buyers of the company's shares.

There has been steady buying of the group's shares since early in the year, which has alarmed the rubber group and led to a sharp rise in its share price.

Late in July the Department of Trade appointed two inspectors to find out who was behind the buying. After spending a week in Malaysia the inspectors returned and are completing their report. This is month, earlier than usual for expected at the end of the this type of investigation.

At yesterday's price of 79p (up 1p) Mr. Ghafar's holding of 13.92m shares is valued at almost £11m, and the whole group at £104m. The shares have been as high as 85p this year.

Dunlop—widely expected to recieve a takeover bid from the Far East—said yesterday that Mr. Ghafar had given no reasons for increasing his stake in Dunlop.

A meeting was held in August in San Francisco with Sir Campbell Fraser, the Dunlop chairman, at Mr. Ghafar's request. At what Dunlop described as a "fruitless meeting" Sir Campbell Fraser said that if Mr. Ghafar was going to bea significant shareholder in the group he would be pleased to recommend him for a place on the Dunlop board. There was apparently no response from Mr. Ghafar to this offer.

OPEC 'to offset Gulf loss'

BY RAY DAFTER, ENERGY EDITOR

OIL COMPANIES were last night waiting confirmation that leading members of the Organisation of Petroleum Exporting Countries are about to raise their output to offset the loss of exports from Iraq and Iran.

Japanese oil industry reports suggested that the United Arab Emirates, Kuwait, Qatar and Indonesia were joining Saudi Arabia in raising production levels on a temporary basis. It was expected that the move would result in over 1m barrels a day of extra production.

So far none of these reports has been confirmed. Indonesia's state-owned oil company, Pertamina, said yesterday that it was not planning to boost output from its current level of 1.55m b/d.

"Up to now we are producing only to fulfil contract commitments," the company said, adding that if it found it had more than enough oil to meet these commitments it might consider new export deals.

Although Western oil companies are very hopeful that OPEC members will not trim production levels by 10 per cent, as agreed at their recent Vienna meeting, they are less confident that Saudi Arabia and others are about to increase output.

In the past few days there have been reports in Japan, the Middle East, and New York that Saudi Arabia is about to raise output by 700,000 b/d, to 10.2m b/d in view of the 3.5m loss of exports from Iran and Iraq.

Within the oil industry yesterday it was felt the Saudis would be unlikely to raise production above the already higher than normal level of 9.5m b/d without some supporting action from other OPEC members.

The position could well be clarified in Rimini, Italy, tomorrow, where Sheikh Ahmed Zaki Yamani, the Saudi Minister of Petroleum, is due to speak at the opening of a conference on European and Arabian affairs.

The conference, organised by the Pio Manzu Research Centre and aimed at promoting greater Arab-European co-operation, will discuss the problems arising from the current shortfall

It is also likely to examine the Iraqi-Iranian conflict. Among those expected to speak tomorrow are Mr. Yasser Arafat, leader of the Palestine Liberation Organisation, and oil ministers from Kuwait—Sheikh Ali Khalifa Al Azabi al-Sabah and Iraq—Mr. Tayeh Abdel Karim.

Rik Turner reports from Sao Paulo: Brazil has secured 131,000 b/d in alternative oil imports to offset the 450,000 b/d loss of imports from Iran and Iraq.

Countries providing the extra supplies are Saudi Arabia, Indonesia, Venezuela, Ecuador and Gabon. Further supply offers have been made by the Soviet Union, Kuwait, Algeria and Nigeria.

Report from Basrah and other war news Page 2
Other Ferguson Lacey deals Page 18

NCC Energy in $40m gas stake

BY RAY DAFTER, ENERGY EDITOR

NATIONAL CARBONISING, now known as NCC Energy, has joined with a leading American independent oil company to take a $40m (£16.7m) stake in Pennsylvanian gas properties.

Mr. Graham Ferguson Lacey, NCC Energy's chairman, said in New York that the acquisition represented an important step in the company's plan to become more involved in energy production.

Jointly with Damson Oil Corporation of New York, NCC Energy is taking over Louden Properties which owns about 800 producing gas wells on leases covering 44,000 acres in Western Pennsylvania.

The new partnership is planning to drill a further 500 wells over the next five years.

Damson will be the operator on the acreage, which is estimated to contain proven producing net reserves of 42.6bn cubic feet of gas and proven undeveloped reserves of 95.9bn cubic feet.

NCC Energy and Damson are each paying $15m in cash for the properties. A further payment up to a total of $10m plus interest is to be made out of production income over the next 15 years.

NCC Energy is funding its proportion of the purchase price in the U.S. through its wholly-owned subsidiary, NCC Energy Inc.

Mr. Lacey said the investment "in relatively low risk" gas production had been made partly because it was felt natural gas prices would rise more quickly than oil prices.

NCC Energy, which has been described by Mr. Lacey as essentially an energy investment trust, is being developed into a group directly involved in the energy producing industry.

Mr. Lacey said yesterday that it was his intention to expand the company's interests in North America and Australia. Through its interests in Hampton Gold Mining Areas it was also seeking new exploration licences in the North Sea.

Weather

UK TODAY

Mainly dry. Sunny periods.

London, S.E., C.S., E., S.W. England, E., W. Midlands, E. Anglia, Channel Islands

Mostly cloudy, occasional rain, becoming mainly dry with sunny periods. Max. 17C (63F).

N.W., C.N., N.E. England, N., S. Wales, Lake District, Isle of Man

Mainly dry, sunny periods. Max. 16C (61F).

Borders, S.W., N.E., N.W. Scotland, C. Highlands, Orkney, Shetland, Ulster

Sunny intervals, showers.

Outlook: Changeable and windy with rain at times in N, a little rain and sunny intervals and overnight fog, frost, in S.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	Jo'burg	S	24	75
Alxndria	C	25	77	L. Plms.	F	24	75
Algiers	S	29	84	Lisbon	C	23	73
Amsdm.	F	15	59	Locarno	S	20	68
Athens	S	21	70	London	F	15	59
Barclna.	C	25	77	Luxmbg.	S	13	55
Beirut	F	23	73	Luxor	S	33	91
Belfast	C	14	57	Madrid	S	25	77
Belgrd.	C	17	63	Majorca	S	26	79
Berlin	F	13	55	Malaga	F	25	78
Biarritz	S	24	75	Malta	S	27	81
Bmghm.	S	15	59	M'chstr.	F	14	57
Blackpl.	F	15	59	Milan	S	21	70
Bordx.	S	21	70	Mntreal.	R	9	48
Boulgn.	S	15	59	Moscow	R	6	43
Bristol	S	16	61	Munich	S	12	54
Brussels	S	15	59	Nairobi	F	26	79
Budpst.	F	14	57	Naples	S	25	77
Cairo	F	25	77	Nwcstl.	F	14	57
Cardiff	F	15	59	N. York	C	14	57
Cas'b'ca	S	26	79	Nice	S	24	75
Cape T.	S	16	61	Nicosia	F	22	72
Cologne	S	12	54	Oporto	F	25	77
Cpnhgn.	F	15	59	Oslo	S	13	55
Corfu	S	24	75	Paris	S	17	63
Dublin	C	16	61	Perth	C	18	64
Dbrvnk.	S	22	72	Prague	F	12	54
Ednbgh.	C	14	57	Reykjvk.	R	5	41
Faro	C	24	75	Rhodes	S	21	70
Florence	S	25	77	Riyadh	S	38	100
Frankft.	S	15	59	Rome	S	25	77
Funchal	F	23	73	Salzbrg.	F	13	55
Geneva	F	17	63	Seoul	S	25	77
Gibraltar	F	23	73	Singapr.	C	26	79
Glasgow	R	13	55	Stckhm	F	11	52
G'rnsey	F	14	57	Strasbg.	S	16	61
Helsinki	C	10	50	Tangier	F	26	79
H. Kong	F	27	81	Tel Aviv	C	23	73
Innsbrk.	S	17	63	Tenerife	S	23	73
Invrnss.	C	17	63	Tokyo	S	22	72
I.o.Man	R	13	55	Tunis	F	28	82
Istanbul	C	18	64	Valencia	S	25	77
Jeddah	S	33	91	Venice	S	21	70
Jersey	S	15	59	Vienna	F	15	59

C—Cloudy, F—Fair, R—Rain, S—Sunny.

Bowater unions switch attack

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS who are fighting plans by Bowater to close its Ellesmere Port newsprint mill with the loss of 1,600 jobs were preparing yesterday for a showdown with management after a Minister disclosed that "tens of millions of pounds" were available to help the company.

After joining other paper industry representatives in a two-hour meeting with the Prime Minister, union leaders said they heard for the first time full details of the package of facilities open to the company.

Mr. Bill Keys, general secretary of the Society of Graphical and Allied Trades, said: "It was certainly more than I thought. It is sufficient I believe to keep the damned place open."

According to Lord Trenchard, Minister of State for Industry, the financial help available is in the form of a European Investment Bank facility, a regional development grant and selective assistance under the 1972 Industry Act. This money would be used to modernise the existing mill by building a £36m sulphite pulp plant.

The Government also had made efforts to ensure that Bowater would be enable to negotiate with the National Coal Board and the Forestry Commission on the best possible terms.

Mr Keys and Mr. Peter Evans, national secretary of the Transport and General Workers' Union, are now to seek a meeting with Bowater management next week to discuss the outcome of the Downing Street talks.

All the signs were that the union side was impressed with Government efforts although the company has previously made clear that the offer of grants towards building a new plant would not cure Ellesmere Port's existing problems.

Nevertheless, the unions, appear ready to switch the main force of their attack from Government to the Bowater management.

This would come as some relief to the Government which remained the target yesterday of sharp criticism from both unions and employers in the industry for failing to meet demands for a curb on newsprint imports and subsidised fuel.

The Downing Street meeting included Dr. Ingram Lenton, chairman and chief executive of Bowater as well as senior representatives of the British Paper and Board Industry Federation and the Newspaper Publishers Association.

Bowater management had been asked by the Government "to reconsider its decision and to take a longer view" of the mill's future.

Continued from Page 1

Foot may stand

She said any move to the Left by the party might not be recoverable. "In my view our prospects of winning against Mrs. Thatcher would become extremely dim.

"I can't say it is absolutely impossible, because Mrs. Thatcher is creating such utter havoc in terms of employment and bankrupted firms that maybe the electorate will do anything to vote against her. But we've certainly greatly weakened our chances."

The Conference backed by a large majority yesterday, a trade union proposal to restore the rule that would ban further debate on a constitutional issue for three years after a decision had been reached. The proposal was opposed by Mr. Benn and the Left. If the necessary amendment to the rules is passed at next year's conference the most significant result would be that there would be no possibility of the national executive taking from the parliamentary leadership the responsibility for drafting the manifesto.

One outcome of the events at Blackpool seems certain to be an attempt by some Right-wing MPs to insist on the right of the PLP to elect its own leader and to reject if necessary the leader chosen under the electoral college yet to be devised. But this is unlikely to receive much support.

In a final conference statement the Right-wing Campaign for Labour Victory complained that no one, not even the Left, could be more delighted at what has happened at Blackpool than Mrs. Thatcher.

Continued from Page 1

Massey-Ferguson

for the United Autoworkers Union, was "potentially a positive element" in any future plan. The UAW was heavily involved in the rescue of Chrysler, to which the Canadian Government is to contribute $200m in loan guarantees.

From Massey's point of view the outcome of this week of high drama is far from satisfactory. The company is at the same point Chrysler reached last summer when the U.S. Government expressed a willingness to help but then spent a whole year haggling over the terms, first with Congress and then with the company's more than 450 lenders.

There is hope that Massey's case will prove less complex than this, because it is more rigidly divided into geographic units, whose relationship with lenders is to a large extent self-contained.

But there was an ominous echo of the Chrysler case yesterday with a report that Dresdner Bank, of West Germany, had already declared its intention of calling in a loan from Massey next Thursday.

Mr. Gray said the Canadian Imperial Bank of Commerce, with a reported $300m at stake, had spoken to Dresdner and, at least for the moment, allayed its fears.

There remains none the less, the real possibility that Massey's bankers will force its collapse on November 1 when they are due to renew waivers on the broken terms of the company's credit agreements.

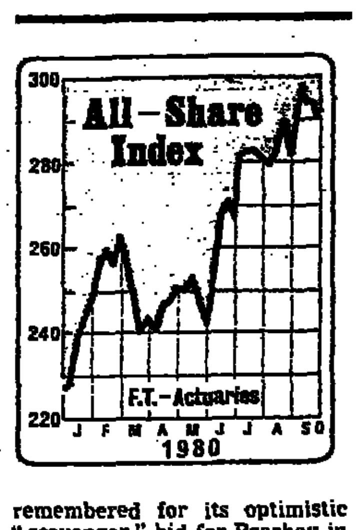
THE LEX COLUMN

Escaping from a dawn raider

Aside from flurries in the oil sector, where the Gul war scare influences have been countered by waning Iraqi enthusiasm and apparent Saudi readiness to open the taps wider, the equity market has been drifting quietly this week. The troubled industrial background continues to disturb sentiment, although the main interim reporting season is now over. The profits trend is clearly worrying—brokers Phillips and Drew calculate that whereas first quarter industrial profits were 7 per cent higher than a year earlier, April-June profits tumbled by 19 per cent, the biggest turndown they can remember between two successive quarters.

The main bull point, of course, remains the possibility of a fall in interest rates. Hopes for a cut in MLR on Thursday proved predictably premature, but next Tuesday brings the September set of banking figures, which are generally expected to be the best for a while. At any rate, gilt-edged have been quietly firm this week, despite further rises in the U.S. prime rates.

Index rose 0.6 to 479.3



Gough Cooper

On the same day that the Council for the Securities Industry finally came out with its scheme for regulating stock market raids, the consequences of one of the summer's dawn raids were falling into place. The CSI's statement came too late to save Gough Cooper, the victim of a raid launched during the open season in July by Mr. Remo Dipre's Starwest.

Gough Cooper's shares had fallen back to around 60p that month after the announcemnt of interim trading losses, the result of some injudicious fixed-price local authority housing contracts it had taken on in 1978. Starwest picked up 29.9 per cent of the equity at 95p a share, and announced a full bid at 120p six weeks later.

A company in Gough Cooper's position has two alternatives—to do everything possible to produce profits out of its hat and fight off the bid, or arrange a defensive merger with some less uncongenial partner. In this case only the second alternative was available, and Gough Cooper has submitted to the advances of Allied London Properties at 145p, about a third below revalued asset value; since the market judges Gough Cooper primarily as a housebuilder, it would have been unrealistic to hope for more.

Allied London is best remembered for its optimistic "scavenger" bid for Peachey in 1977, and perhaps the best thing that can be said about the merger is that the two companies have overlapping interests in property and building. The institutions which sold in the dawn raid at 95p can hardly be delighted, the company is losing its independence, and Mr. Dipre is sitting on a profit of £1.16m—unless he chooses to bid again.

Energetic

The deals of Mr. Graham Ferguson Lacey are confusing enough when they come one at a time, let alone in threes as they did yesterday. What it boils down to is that Mr. Lacey is consolidating his quoted company interests within NCC Energy by arranging for the latter to buy Bernard Wardle, of which his companies own some 90 per cent, and also his 28 per cent stake in Energy Capital. In the process he is boosting his shareholding in NCC to 44 per cent. These deals were spiced yesterday with the announcement of a new energy venture by NCC in the U.S., whereby it is paying $15m for a half share in a group of natural gas wells.

The transactions show how Mr. Lacey's penchant for popping up here, there and everywhere has involved him in serious conflicts of interest. Thus the NCC gas deal was introduced by none other than Energy Capital, to which NCC is paying a fat $500,000 fee, and EC is also entitled to royalties from NCC in connection with another American venture. This conflict will be removed by paying Mr. Lacey the equivalent of 85p a share in NCC equity for his EC interest. It is not clear why the EC shares have become so much more valuable since June, when large numbers were issued to two Americans at the equivalent of 37p which Mr. Lacey regarded at the time as a "fair and reasonable" price.

There is also a puzzling diversity of view on what the NCC share price should be. In the market it was quoted at 88p after returning from brief suspension, but Mr. Lacey is offering to buy the new shares issued for the Wardle minority at 92.4p. That would appear to be an indirect way of boosting the Wardle offer up to 33p a share, the same as the original bid price last March, rather than the 24p value of the basic five-for-fourteen share exchange offer. NCC will now be the fortunate 100 per cent owner of Wardle, which lost £2.5m in the nine months to August, but which is said to be capable of providing NCC with "useful additional UK income."

European Ferries

If European Ferries had announced, two weeks ago, not only that interim pre-tax profits had fallen from £6.7m to £3.7m but that it was issuing 15.8m new shares to fund its £23½m purchase of Singer and Friedlander, the share price would undoubtedly have fallen by more than 10½p to 169p. Instead the company referred to its significant cash balances and arrangements for bank facilities, adding varguely that it was "reviewing its options on the most appropriate long term funding of the acquisition."

In the end the decision has been less long-term than the outsider might have supposed. Yesterday's vendor placing, which has raised the number of shares on issue by a sixth, has been made at 150p, a discount of only 7½ per cent on the previous closing price.

The advantages to Euroferries in plumping for this form of exercise rather than a full blown rights issue are clear enough. The discount can be kept tighter and underwriting fees are avoided, as is the cost of circulating documents to more than 100,000 shareholders. Nor should exclusion from the opportunity of adding to their holdings test small shareholder loyalty very greatly in this instance. With Singer and Friedlander expected to produce £4m for 1980, there will be little initial earnings dilution. And a rights issue would presumably not have appealed to those shareholders who are only in for the cheap Dover-Calais ride.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.